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REVIEW OF THE TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Technical Co-operation Programme of UNCTAD, 1989-1991

Report by the UNCTAD secretariat

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Chart 1 Technical cooperation expenditures (1972-1991)

Chart 2 Project expenditures by field of activity (1989-1991)

List of abbreviations

ACIS	Advance Cargo Information System
ACP	African, Caribbean and Pacific Group of Countries
ACU	Asian Clearing Union
ALADI	Asociación Latinoamericana de Integración
APLDCs	Asia and Pacific least developed countries
ATFP	Arab Trade Financing Programme
ASATRADE	Association of African Trading Enterprises
ASEAN	Association of South-East Asian Nations
ASYCUDA	Automated System for Customs Data
CARICOM	Caribbean Community
CCC	Customs Cooperation Council
CET	Common External Tariff
CIS	Commonwealth of Independent States
DMFAS	Debt Management and Financial Analysis System
ECCAS	Economic Community of Central African States
ECDC	Economic Cooperation among Developing Countries
ECE	United Nations Economic Commission for Europe
ECLA	United Nations Economic Commission for Latin America
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
EEC	European Economic Community
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESCWA	United Nations Economic and Social Commission for Western Asia
FALPRO	The Trade Facilitation Programme
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences among developing countries
HRD	Human resources development
HS	Harmonized Commodity Description and Coding System
ICC	International Computer Centre
ICTB	International Customs Tariffs Bureau
IDA	International Development Association
IDRC	International Development Research Centre of Canada
ILO	International Labour Organisation
IMF	International Monetary Fund
IMO	International Maritime Organization
IPF	Indicative Planning Figure
IPP	Improved Port Performance
ITC	International Trade Centre
ITCB	International Customs Tariffs Bureau
ITTO	International Tropical Timber Organization
JAG	Joint Advisory Group (ITC)
JOBMAR	On-the-job training programme of UNCTAD in cooperation with the Centre for Maritime Cooperation

JUNAC	Cartagena Agreement
LDCs	least developed countries
LIDCs	Low-income developing countries
MICAS	Microcomputer based Commodity Information and Analysis System
MTN	Multilateral Trade Negotiations
OECD	Organisation for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
PGTF	Peréz-Guerrero Trust Fund
PTA	Eastern and Southern African Preferential Trade Area
RBP	Restrictive Business Practices
RIIPS	Regional Investment Information and Promotion Service for Asia and the Pacific
SACU	Southern African Customs Union Agreement
SAPs	Structural adjustment programmes
SGS	Société Générale de Surveillance
SIECA	Permanent Secretariat of the General Treaty on Central American Economic Integration
SMART	Software on market access and restrictions to trade
TCDC	Technical Cooperation among Developing Countries
TCMs	Trade Control Measures
TRAINFORTRADE	Training Development in the Field of Foreign Trade
TRAINMAR	Maritime Management Training
TRAINS	Trade Analysis and Information System
TRIMs	Trade Related Investment Measures
TRIPs	Trade Related aspects of Intellectual Property Rights
TRPEs	Trade-related public enterprises
UNCED	United Nations Conference on Environment and Development
UNCLDC II	Second United Nations Conference on Least Developed Countries
UNCTACD II	Second Transport and Communications Decade for Africa
UNCTAD VIII	Eighth United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFDAC	United Nations Fund for Drug Abuse Control
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNPAAERD	United Nations Programme of Action for African Economic Recovery and Development 1986-1990
USAID	United States Agency for International Development

Introduction and Summary

1. UNCTAD's technical cooperation activities were last reviewed by the Working Party on the Medium-term Plan and Programme Budget at its nineteenth session in February 1990. On that occasion, the Working Party decided that the periodic review of these activities should be carried out on a biennial basis (Agreed Conclusions, para. 7) on the understanding that the secretariat would provide an annual statistical update of technical cooperation.

2. The previous report on the Technical Cooperation Activities of UNCTAD (TD/B/WP/68 and Add. 1), which was considered by the Working Party at its nineteenth session, covered activities up to 1988. The present report covers the period 1989 to 1991. Annual statistical up-dates have been issued in the intervening period: for 1989 (TD/B/WP/70) and for 1990 (TD/B/WP/74).

3. This report has three parts. Part I gives an overview of general trends. Part II reviews in some detail the activities carried out by UNCTAD during 1989-1991, organized according to the structure of the secretariat during the reporting period. Finally, Part III addresses some of the main current issues related to UNCTAD's technical cooperation. The main report is supported by a Statistical Annex (TD/B/WP/76/Add.1).

4. The main features of UNCTAD's technical cooperation during the reporting period include:

- A period of rapid expansion, followed by consolidation, in the programme as a whole; however, while growth in nominal terms was impressive - from an annual average of $11.6 million in 1986-1988 to $20.3 million in 1989-1991 - the overall programme remains very modest;

- Increased support from a growing number of bilateral and other donors, to supplement the cooperation between UNDP and UNCTAD;

- Closer cooperation with a number of organizations also involved in technical cooperation for trade and development, particularly ITC and the World Bank;

- Continued efforts by the UNCTAD secretariat to integrate as much as possible the regular and the operational work in given programme areas;

- A good record of delivery of projects against approved budgets (around the level of 75 per cent over the reporting period), together with flexible use of available modalities for project execution;

- Expansion of several software programmes for management information systems and their installation in a growing number of developing countries (e.g. ASYCUDA and DMFAS), and the launching of new initiatives and programmes, such as TRAINFORTRADE, and the introduction of cargo tracking systems in Africa;

- Particularly effective contributions (as borne out by independent evaluations) that enabled developing countries to participate effectively in the Uruguay Round of Multilateral Trade Negotiations;

- Special emphasis on least developed countries and Africa, in line with the special United Nations programmes of action.

5. The strong support shown at UNCTAD VIII for the continued development of UNCTAD's technical cooperation was undoubtedly based on these considerations. However, future activities are likely to be conditioned by the following factors:

- Evolution of the programme budget, on which will depend the secretariat's capacity not only to maintain and where necessary improve the relevance of the technical and analytical work that must underpin an operational programme, but also to up-date on a regular basis the computer systems forming an important part of the technical cooperation programme.

- Operational work initiated under extra-budgetary funding often leads in time to the need to establish facilities to support the technical cooperation on a permanent basis. This approach to strengthening international cooperation for development is inherent in the problems addressed by UNCTAD's operational activities which are not usually of an ad hoc nature but rather require long-term efforts. Given the strict constraint of the United Nations' programme budget, UNCTAD cannot accommodate all the necessary requirements, at least not in the immediate future. The growth of UNCTAD's technical cooperation would thus depend to a certain extent on the willingness of donors to provide core support over a number of years to successful or promising programmes before they become fully institutionalized. In addition, more systematic methods of charging beneficiaries for services rendered would also strengthen the financial basis for specific activities.

- The ability of UNCTAD to reflect fully the changes taking place in the United Nations system as regards technical cooperation; among recent developments the most important are: (a) the move towards a "programme approach"; (b) the trends towards "national execution"; and (c) a decentralization of activities to the country and regional level. Taken together, these developments are likely to lead to an increased involvement by United Nations agencies in policy and technical advice but a diminution of "traditional" execution responsibilities. UNCTAD is seeking arrangements to ensure that its contribution is rendered more effective at the country and regional levels through a stronger capacity to undertake policy and related sectoral work with an impact on national decision-making.

- Above all, the competitiveness of UNCTAD will be heavily influenced by its abililty to mobilize additional extra-budgetary resources in support of its operational activities; while available resources are known to be limited, potential donors are likely to be favourably

inclined to the extent that beneficiaries are anxious for UNCTAD's involvement, the specific proposals are well-designed and clearly responsive to the need, and the secretariat is demonstrably efficient in its operations.

6. Recent evaluations studies on individual projects have shown the value of UNCTAD's technical cooperation to beneficiary countries and institutions. However, in light of the expansion in the programme, a more comprehensive review of the programme as a whole is required.

7. UNCTAD VIII agreed that the Trade and Development Board would conduct, midway between UNCTAD VIII and UNCTAD IX, a "review and evaluation ... of technical assistance programmes ..." (para. 68 of the Cartagena Commitment). Paragraph 62 of the Commitment suggests that this policy review should "assess the results of UNCTAD's technical cooperation and as necessary ensure continued support for these activities". The Secretariat would propose that this review be prepared by the Working Party, on the basis of the next biennial review in 1994 of developments in UNCTAD's technical cooperation programme.

I. GENERAL TRENDS

8. During the years under review, UNCTAD's technical cooperation programme reached a record level, as measured by expenditures. These averaged US$ 20.3 million (1989: US$ 18.4 million; 1990: US$ 22.0 million; 1991: US$ 20.5 million), which is more than double the average for the preceding three year period (see Table I of the Annex; and also Chart I below). The peak in 1990 is due to two main factors: (a) preparations for the Second United Nations Conference on the Least Developed Countries of 1990; and (b) particularly active support to developing countries participating in the Uruguay Round of multilateral trade negotiations, which at that time had been scheduled for completion in 1990.

9. However, UNCTAD is a small technical cooperation agency within the United Nations system (see annex, table IX), and the overall size of UNCTAD's programme remains very modest compared to the needs of developing countries in the wide area covered by UNCTAD's mandate.

Source of funds

10. The main sources of funds for UNCTAD's programmes are UNDP (the single largest), trust funds and the regular programme (see chart I below). UNDP's share had decreased, however, from 82 per cent in 1988 to 69 per cent in 1991. The regular programme of the United Nations had amounted to less than US$ 1 million annually (including the channelling of the contributions thereto from the former USSR). Programme expenditures from funds-in-trust had increased steadily (US$ 2.3 million in 1989, US$ 3.6 million in 1990 and US$ 5.4 million in 1991). Funds-in-trust expenditures were expected to continue increasing in 1992, in view of the significant level of contributions (US$ 8.8 million) received in 1991 (Table VIII of the Annex provides details of funds-in-trust contributions since 1983). Italy has been the major contributor (US$ 6 million for the period 1989 to 1991). Over the three years under review, Sweden and Switzerland have contributed almost US$ 2.0 million each, Denmark gave $1.0 million, and France, Germany, the Netherlands and Norway likewise each gave more than US$ 0.5 million.

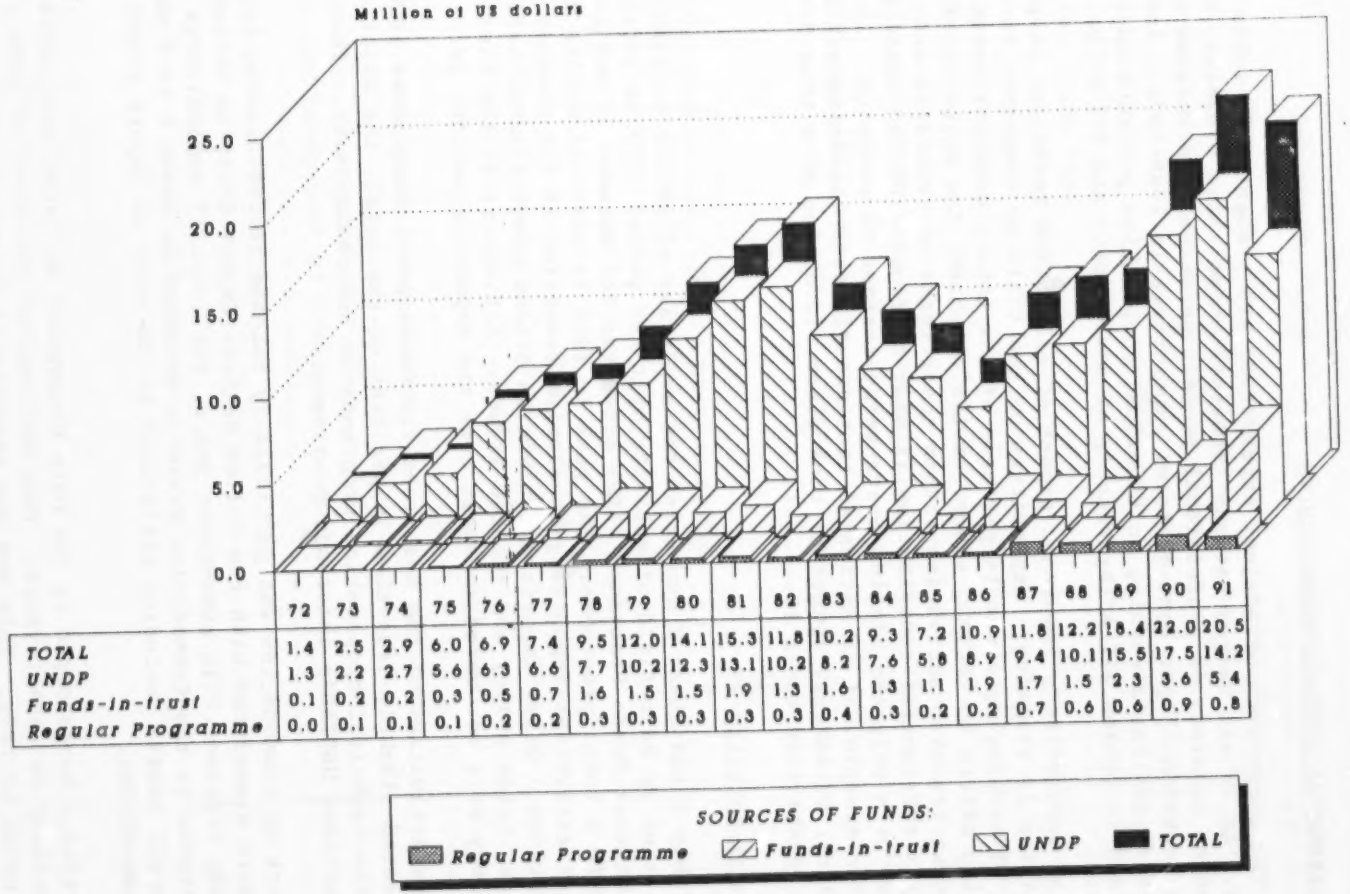
Geographical distribution

11. A continuing feature of UNCTAD's technical cooperation - inherent in the organization's mandate covering international aspects of trade, transport, finance and economic cooperation - is that this cooperation mostly consists of inter-country activities (about 75 per cent of the total in 1989-1991 - see annex, table III). This mode of operation is also reflected in the emphasis on an exchange of experience among countries.

12. The distribution of expenditures by geographical region is summarized in tables III and IV of the annex. The focus on Africa, already noticeable in the past, has been further emphasized in 1989-1991 (52 per cent of expenditures compared to 44 per cent in 1988). This is an important component of UNCTAD's contribution to UN-PAAERD, and reflects the fact that the majority of least developed countries are in this region. The Asia/Pacific region accounted for 21 per cent of UNCTAD's programme in 1988-1991, followed by Latin America (17 per cent), Arab States (8 per cent) and Europe (2 per cent). 1/

Chart 1

TECHNICAL CO-OPERATION EXPENDITURES
1972 - 1991



	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91
TOTAL	1.4	2.5	2.9	6.0	6.9	7.4	9.5	12.0	14.1	15.3	11.8	10.2	9.3	7.2	10.9	11.8	12.2	18.4	22.0	20.5
UNDP	1.3	2.2	2.7	5.6	6.3	6.6	7.7	10.2	12.3	13.1	10.2	8.2	7.6	5.8	8.9	9.4	10.1	15.5	17.5	14.2
Funds-in-trust	0.1	0.2	0.2	0.3	0.5	0.7	1.6	1.5	1.5	1.9	1.3	1.6	1.3	1.1	1.9	1.7	1.5	2.3	3.6	5.4
Regular Programme	0.0	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.2	0.2	0.7	0.6	0.6	0.9	0.8

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13. A complete list of projects by country or region in which UNCTAD has been involved over the period 1989-1991 appears in Table XI of the annex. In each case the source of funding and the expenditure for each of the three years are shown.

Components of project expenditures

14. The components of project expenditure are presented in table VI of the annex. As in all United Nations technical cooperation projects, the main component consists of professional project personnel and related costs. Such costs averaged 75 per cent of total expenditure in 1989-1991. Information on experts/consultants working on technical cooperation projects in 1991 is provided in tables VII-A (by country of assignment) and VII-B (by nationality).

15. An increasingly important aspect of all UNCTAD technical cooperation activities is training. Expenditure on the training component recorded in table VI (averaging about 14 per cent of the total) underestimates the actual training effort by UNCTAD, since, on the one hand, the majority of experts undertake training activities within their terms of reference and, on the other, a substantial contribution is made by regular UNCTAD staff to training events, with only the mission costs being charged to projects. In 1990 and 1991 for example, it is estimated that 226 different training activities (seminars, workshops, symposia) took place, involving more than 8,000 participants (see table 1).

Fields of activity 2/

16. Table 2 and Chart 2 summarize the evolution of UNCTAD's technical cooperation by main field of activity over the period 1989 to 1991. The International Trade Programme (ITP) accounted for between 20 and 25 per cent of UNCTAD's total programme. The peak in 1990 is associated with the high level of activities supporting developing countries in the Uruguay Round negotiations. Other important activities of the trade cluster include work on services, trade policy and related issues. Activities in the field of technology have recovered somewhat over the reporting period. 3/

17. The activities of the Resources for Development Programmes (RDP) represented slightly less than 10 per cent of the total, the major component being the technical cooperation programme in debt management. This cluster also includes UNCTAD's insurance programme.

18. Work on commodities was particularly intense in 1989, owing in part to the effort associated with the United Nations Expert Group on African Commodity Problems. In subsequent years, the level of expenditures attributable to the Commodities Division amounted to about 4 to 5 per cent of the overall total, including assistance in the area of import procurement of food commodities.

19. Projects backstopped by the Data Management Division have increased substantially in recent years. They had reached the level of some 29 per cent of the total in 1991. This was due essentially to work in the area of customs (ASYCUDA), for which demand has been high in developing countries and funding

Table 1

TRAINING ACTIVITIES CARRIED OUT IN 1990 AND 1991

Seminar/Workshop	Number of activities 1990/1991	Number of participants
Control of restrictive business practices (RBPs)	10	240
Debt management	3	51
GSP and other trade laws	50	2 644
Insurance	6	251
International trading of food commodities	5	90
Maritime management training (TRAINMAR/IPP)	13	304
Multimodal transport and technological development	26	536
SMART	16	236
Trade expansion with countries in Eastern Europe	6	1 000
TRAINFORTRADE	2	34
Trade negotiations	44	1 808
The trade facilitation programme (FALPRO)	18	274
Trade policies for development	5	270
Transfer and development of technology	6	177
Transit-traffic for land-locked developing countries and management of transport routes	10	650
Port management and development	6	140
Total	226	8 705

Table 2

UNCTAD project expenditures by field of activity (1989, 1990, 1991)
(in thousands of United States dollars and percentages) a/

Year	1989		1990		1991	
Field of activity	Amount	Share of	Amount total %	Share of	Amount total %	Share of total %
1.1 Protectionism and Market Access	71.5	0.4	90.5	0.4	122.1	0.6
1.2 Structural Adjustment and Trade Expansion	1 199.7	6.5	1 747.7	7.9	2 296.6	11.2
1.3 International Trading System	2 418.8	13.2	3 302.4	15.0	1 840.4	9.0
1.4 Technology	49.0	0.3	336.3	1.5	336.4	1.6
1.5 Other activities b/	43.0	0.2	92.8	0.4	164.1	0.8
1.0 International Trade Programmes (ITP)	3 782.0	20.6	5 529.6	25.3	4 759.8	23.3
2.1 International Monetary Issues	145.1	0.8	38.0	0.2	101.7	0.5
2.2 Development Finance	914.7	5.0	723.0	3.3	1 346.1	6.6
2.3 Insurance	315.2	1.7	415.4	1.9	261.3	1.3
2.4 Other activities	16.2	0.1	6.6	0.0	36.7	0.2
2.0 Resources for development programmes (RDP)	1 391.2	7.6	1 183.0	5.4	1 745.8	8.5
3.0 Commodities	1 657.4	9.0	894.5	4.1	1 043.8	5.1
4.0 Data Management	3 201.5	17.4	4 457.0	20.3	5 903.8	28.9
5.0 Economic Cooperation among Developing Countries	639.0	3.5	782.8	3.6	459.9	2.3
6.0 Least Developed Countries c/	2 920.4	15.9	4 061.9	18.4	2 094.7	10.3
7.0 Shipping and Multimodal Transport c/	3 612.4	19.7	3 668.4	16.7	3 037.2	14.9
8.0 Cross-sectoral and other activities	1 152.7	6.3	1 419.0	6.4	1 386.6	6.8
Total	18 356.6	100.0	22 036.3	100.0	20 431.6	100.0

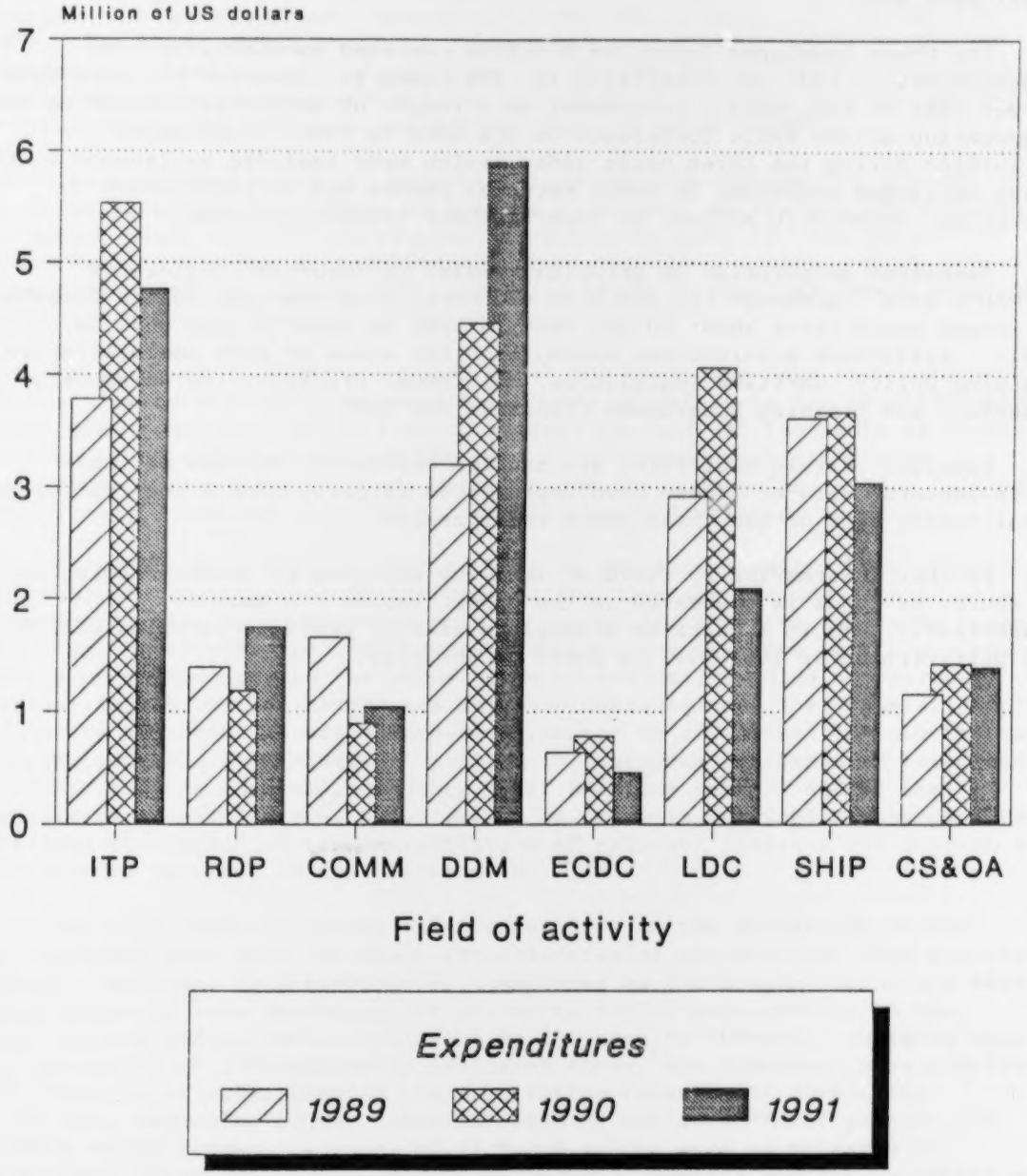
a/ Figures may not add up because of rounding.

b/ Including activities in the area of East-South trade.

c/ Expenditure under the transit/transport projects in Africa (RAF/86/046; RAF/88/014; and RAF/88/015) which are backstopped jointly by the Division for Least Developed, Land-locked and Island Developing Countries and the Shipping Division has been allocated equally between these two organizational units.

Chart 2

PROJECT EXPENDITURES 1989 - 1991
BY FIELD OF ACTIVITY



has been forthcoming from several donors. The Data Management Division also maintains and disseminates trade data, especially that on trade control measures.

20. The ECDC division has a modest programme of cooperation supporting regional integration groupings and promoting south-south cooperation, including inter-enterprise cooperation, amounting to 2-3 per cent of UNCTAD's total programme.

21. The Least Developed Countries Division recorded particularly high expenditures in 1989 and especially in 1990 (when it accounted for more than 18 per cent of the overall programme) as a result of activities linked to the preparation of the Paris Conference on the LDCs in 1990. Continuing activities during the three years under review have included assistance to the least developed countries in their external sector and to land-locked countries, notably in Africa, as regards their transit problems.

22. Technical cooperation in Shipping remains an important feature of UNCTAD's work - although its share in the total programme has fallen somewhat in recent years (from about 20 per cent in 1989 to about 15 per cent in 1991). Assistance provided has encompassed the areas of port administration, shipping policy, maritime legislation, multimodal transport including cargo tracking, and training programmes (TRAINMAR and IPP).

23. Finally, certain activities are handled centrally, in view of their cross-sectoral nature. These have represented slightly over 6 per cent of the total during each of the three years under review.

24. Further information by field of activity analysed by country/region and by source of funds is presented in the annex, tables V-A and V-B, respectively. Table X contains a complete list of projects in which UNCTAD had participated in 1989-1991 by field of activity.

II. REVIEW OF ACTIVITIES BY PROGRAMME AREA

A. International Trade Programme

1. Support to the Uruguay Round of Multilateral Trade Negotiations (MTN)

25. Support to developing countries during the Uruguay Round negotiations has been a major part of ITP's technical cooperation work. The core programme consists of three regional and one interregional project, all financed by UNDP. The basic objective is to enhance the negotiating effectiveness of developing countries participating in the Uruguay Round through an analysis of the issues under negotiation and the provision of relevant data in the form of software on market analysis and restrictions to trade (SMART).

26. The Programme mobilized expertise from various regions, as well as in-house expertise in UNCTAD, to prepare a variety of studies which covered in detail these issues. Particular attention was paid to "new issues" of Trade Related Aspects of Intellectual Property Rights (TRIPs), Trade Related Investment Measures (TRIMs) and especially trade in services (where developing countries had only limited analytical experience).

27. Collections of papers prepared under the Programme have been published with a view to providing an important source of reference for negotiators of developing countries, as well as to enlarge the body of knowledge on relations between trade negotiations and the pursuit of development strategies. Analytical information on trade measures and on trade policy issues related to the Uruguay Round was provided to negotiators of developing countries.

28. In addition, a large number of country advisory missions were undertaken to developing countries. The purpose of the missions included, inter alia, help in building up national capacities to analyse measures affecting trade; appraisal of country-specific issues emerging from the negotiation process; advice on methodology in the preparation of national studies on various issues; improvement of data bases on trade measures; and the preparation of an inventory of technical assistance requirements to strengthen the negotiating infrastructure. Some missions resulted in a growing awareness in beneficiary countries of the need to strengthen their services sectors and of the importance of multilateral negotiations on trade in services. Many of these missions have also led to the initiation of national projects for studies on the role of services in their economies.

29. The wide range of issues being negotiated in the Uruguay Round has necessitated much more intensive interministerial coordination than previous Rounds. National interministerial committees on the Uruguay Round are being established in many developing countries to follow developments in the negotiations and to ensure follow-up to the results thereof. Building upon the provision of information as indicated above, the Programme also addressed the question of strengthening the negotiating capacity of developing countries, beginning by the identification of national "focal points" for Uruguay Round issues. A total of 77 focal points were established in developing countries (35 in Africa, 28 in Latin America and the Caribbean and 14 in Asia and the Pacific). There has been a continuous interaction between these focal points and the projects.

30. A large number of training activities have been carried out under the MTN projects. From January 1989 to December 1991, some 44 national seminars on issues of the Uruguay Round were organized in developing countries, of which 16 were in Africa, 16 in Latin America and the Caribbean and 12 were in Asia and the Pacific countries. The seminars analysed negotiating issues in light of the special interest of the country concerned and examined national policy options. Most of the national seminars were focused on the new issues of TRIPs and TRIMs and Trade in Services, as well as agriculture, textiles, anti-dumping and safeguards. They helped to disseminate information, to familiarize officials with the main issues under negotiation, and to develop expertise and skills. The seminars, which provided opportunities for an exchange of views among officials from the various ministries, included participants from the private and academic sectors. The outcome of national seminars, included inter alia, recommendations for follow-up activities at the national level, including assistance through the projects on technical studies of interest to the country concerned.

31. Complementary activities to develop negotiating capacity were undertaken at an inter-country level. From 1989 to 1991 some 34 regional and interregional events in the form of round tables, seminars and workshops were organized. Eight round tables and seminars were organized in Africa, and the same number in Asia and the Pacific; seven were organized in Latin America and the Caribbean. Most of the interregional seminars and round tables were organized in and around Geneva, while a special seminar for the Least Developed Countries (LDCs) was organized in Bangladesh, in 1989.

32. UNCTAD has been requested to continue to provide technical assistance to developing countries during the final stages of the Round, for an evaluation thereof, and for the purposes of follow-up. Countries will need to assess the results of the negotiations, and the impact on their development prospects. The implementation of the Final Act will require adaptation of national legislation, regulation and administrative practices in order to comply with new obligations arising from the various agreements, particularly in the new areas such as TRIMs, TRIPs, and services. All this will pose a great challenge to developing countries, particularly in dealing with administrative and legal aspects of new trade rules. In addition to the task of implementation of the results of the current Round, developing countries will have to participate in any future multilateral trade negotiations aimed at furthering the liberalization process, for example in the area of trade in services, agriculture, TRIPs, TRIMs. This requirement points to the need to further consolidate national negotiating capacities so that developing countries can play an even more effective role in such future negotiations.

SMART

33. Developing countries participating in the multilateral trade negotiations needed to identify market opportunities and product categories where changes in trading partners' trade policies would be of greatest benefit. The World Bank and UNCTAD jointly developed a software system (SMART) to assist developing countries in this task. SMART is a user-friendly system designed for use by persons who are not expert in computers or trade classification systems. Since it was designed to work on personal computers, its application takes advantage of low-cost technology already in use in developing countries.

The major developmental phase was completed by the World Bank and UNCTAD in 1988 and 1989. Activities undertaken jointly by both organizations during the period under review mainly involved dissemination of the system and data, together with some refinements of the system. A user's manual was produced in December 1989 and a down-loading programme was developed at the International Computer Centre (ICC) in Geneva.

34. Dissemination and training through field missions, production of diskettes and seminars was undertaken through the SMART component of the three regional MTN projects for Asia and the Pacific, Latin America and Africa as well as the interregional project. As a result of these activities, fully debugged software has been installed in more than 50 developing countries. Officials have been trained in all these countries in the basic operations of the system, although the extent to which substantive trade policy issues are understood, leading to more advanced applications of the system, varies widely from case to case.

35. UNCTAD and the World Bank have agreed to co-operate on SMART with the following future objectives: (i) to produce an institutional mainframe, version of the system for use by World Bank and UNCTAD staff and by several developing countries; (ii) to seek additional extra-budgetary resources with a view to making improvements and additions available to developing countries and (iii) to refine SMART to allow users to feed the system themselves with data and to modify the SMART database.

2. Services

36. UNCTAD's technical cooperation programme on services aims at providing assistance to developing countries in the formulation of policies for the development of the services sector, particularly in support of manufacturing activities, and for the creation of an export capacity in services. Following the earlier mandate of UNCTAD VII, UNCTAD VIII has extended the mandate on services, and established a comprehensive and detailed work programme in this area.

37. Special attention is devoted to producer services aimed at enhancing the competitiveness of domestic enterprises in world markets. The progress registered in the Uruguay Round negotiations on a multilateral framework for trade in services has impressed upon developing countries the importance of strengthening their service industries to enable them to compete against those from developed countries, in their own and in foreign markets, and thus benefit from the anticipated liberalization of world trade in services.

38. UNCTAD has received requests from more than 40 countries in all regions for assistance in undertaking studies of various aspects of the role of services in their economies and in designing strategies to incorporate services more effectively into their development programmes. UNCTAD has been able to respond to such requests where funding has been available. A number of country studies are under way and two UNDP national projects (in Mexico and the Dominican Republic) have been completed. The Government of France has, in addition, supported the initiation of national studies in three African countries (Cape Verde, Tanzania, Benin). Countries cooperating with UNCTAD as regards the services sector, as of April 1992, are: Argentina, Bahamas,

Bahrain, Barbados, Benin, Cape Verde, the group as a whole, Brazil, Cameroon, Chile, Côte d'Ivoire, Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Kenya, Maldives, Malta, Mauritius, Mexico, Panama, Senegal, Sri Lanka, Tanzania, Trinidad and Tobago, Tunisia as well as the Andean Group and the Group Caricom. Projects which have been approved or are in the pipeline, include Brazil, Cape Verde, Central American countries, China, Egypt, Ghana, Iran and Morocco. New regional projects on trade will also contain a services component.

39. National studies on services serve four main purposes: (i) by identifying policy options for dynamizing the role of producer services, they shed new light on the contribution of the service sector to the growth of the productive sectors of the economy; (ii) they seek to improve the competitivity of the domestic services industry and, therefore, its export capacity; (iii) they reveal the potential of the sector as a generator of employment opportunities and of demands for new skills; and finally, (iv) they help to define the elements of developing countries' negotiating positions in the context of trade negotiations such as the Uruguay Round.

40. UNCTAD's technical cooperation programme on services has produced a number of encouraging results. First, a useful methodological approach has emerged for analysing the role of services in the economies of developing countries. Secondly, the experience which national experts of these countries have accumulated through their participation in the programme has increased the general level of awareness and expertise on services-related issues. Another positive effect has been the transfer of expertise among participating developing countries. Thus, for example, Mexican experts have supported the preparation of national studies in the Dominican Republic, Costa Rica and Cuba. Thirdly, these studies, which have brought to light the main elements to be taken into account in the formulation of development policies and strategies, have also enabled some developing countries to participate more actively in the negotiations on services in the Uruguay Round. Looking to the future, it is expected that increasing emphasis will be placed in UNCTAD's technical cooperation activities on reinforcing the competitivity of those service industries which have the greatest potential in terms of exports, value added, the upgrading of skills and the absorption of new technologies.

3. Trade policies and related activities

41. With support from the Governments of Germany, Italy, Norway and Sweden, UNCTAD launched in 1990 a programme of forward-looking reviews of national trade policy experiences and options. The programme focuses on trade policy review at the national level, with a view to identifying trade policy options and designing market-oriented policy responses to the international trading environment prevailing in the 1990s. Further, the programme seeks to provide advice on specific problems in the formulation and implementation of trade policy at the national level. Technical cooperation is an important component of the programme.

42. Wherever possible, these reviews are undertaken by a consultant from the country concerned. As of the end of 1991, eight country reviews had been finalized or were being prepared. Of these, two covered African countries (Cape Verde and Senegal), three Latin American countries (Brazil, Chile and

Costa Rica), one an Asian country (Malaysia) and one a Middle Eastern country (Turkey). A number of other reviews were in progress and the possibility of further reviews was being discussed with the Governments concerned. In the present phase of the project, attention is focused on low-income countries.

43. With a view to forging a national consensus on future action, an effort is made to have each of the reviews discussed in a workshop in the country concerned. Participants include not only government officials, the authors of the study and representatives of the international community but also representatives of the private sector and the academic community. During the reporting period, such workshops were held to discuss the reviews for Chile and Costa Rica. In addition, UNCTAD assisted the Government of Guinea in a seminar to discuss its past and future trade policy. Where appropriate, these reviews and the workshops identify needs for technical cooperation in the area of trade policy.

44. In 1991, UNCTAD organized two international gatherings to compare and contrast national experience in trade policy reform and to identify possible general policy conclusions. The first was an Expert Group on "Trade Policies for Development in the 1990s", held in May 1991 with support from the Government of Turkey; the second was a seminar entitled "The Dynamics of International Markets and Trade Policy for Development" which was co-sponsored by the Instito de Cooperacion Iberoamericano of Spain. It took place in Madrid in July 1991. The papers from both meetings are to be published in 1992.

45. An additional dimension of UNCTAD's work in this area is the provision of assistance in formulating trade policy projects for possible funding by UNDP and other donors. During 1989-1991, missions for this purpose were fielded to Albania, Chile, Indonesia, Iran (Islamic Republic of), Guinea, Nicaragua and Romania; proposals regarding projects were also submitted to the Governments of Egypt and Nigeria. At the intercountry level, proposals for projects involving trade policy were prepared for presentation in the context of the fifth UNDP programming cycle. In addition, a project was submitted for financing under the "Plan Especial de cooperacion para Centro America" (PEC); proposals were also made to the Asian Development Bank and to a number of bilateral donors.

46. As of the end of 1991, UNCTAD had trade policy advisers working with the Governments of Cape Verde, Ghana, Nicaragua and Uganda. 4/ These advisers have assisted the respective Governments in formulating new trade policies and practices and in adapting their trade policy apparatus to the requirements of the 1990s.

47. The programming of technical cooperation in the area of trade can itself be a complex task. This is illustrated by the case of Nigeria, where the Government requested technical cooperation from UNCTAD in 1988 with support from UNDP. Following a preparatory programming mission in 1989, inter-agency collaboration (involving FAO, UNIDO, ITC and UNCTAD) was launched in November 1990. Its purpose was to ensure coordination in the elaboration of a draft programme of relevant technical cooperation and provide the necessary technical support to both the Government and the private sector. The draft

programme was discussed at an Inter-Ministerial Programming meeting (June 1991) and included in the Fourth UNDP Country Programme for Nigeria (1992-1996).

48. Similarly, two UNDP large-scale trade development programmes in Indonesia and the Islamic Republic of Iran have been under preparation. The Indonesian programme, designed by UNCTAD and ITC, aims at strengthening the Government's ability to encourage the development of non-oil exports so as to accelerate the expansion of manufactured exports, including processed agro-based products. It comprises six mutually supporting components on aspects of trade policy, trade facilitation and export promotion. The programme for the Islamic Republic of Iran, developed with the support of ITC, covers a wide range of trade policy and trade development topics.

49. The establishment of export-processing free zones has become a standard instrument of trade policy. In this regard, a pre-feasibility study for the establishment of such a zone in Zanzibar was completed by UNCTAD in 1991. As follow-up to this activity, a project proposal for the preparation of a full-scale feasibility study has been elaborated at the request of the Government of Tanzania. Assistance is also being provided to the Government of Kenya towards strengthening the institutional set-up and the training of human resources required for the effective operation of export-processing free zones in Kenya.

50. Another specific aspect of trade policy was addressed in the case of Kenya. In the context of liberalization measures and promotion of exports, the Kenyan Government requested UNCTAD to examine what effects the lifting of international trade and capital flow barriers on South Africa would have on Kenya's agricultural, industrial and commercial sectors from the foreign investment, production and international trade points of view. The study also looked at how Kenya could position itself to take maximum advantage of the evolving situation, while avoiding as far as possible adverse effects.

51. UNCTAD also implemented a project on the rationalization and privatization of trade-related public enterprises in low-income countries, with support from the Government of Italy. Most low-income developing countries (LIDCs) have undertaken reforms with respect to their public enterprises, as part of their structural adjustment programmes (SAPs). Within this context, certain trade-related public enterprises (TRPEs) are to be rationalized or liquidated, while others are to be partly or fully privatized, in order to improve their profitability and efficiency. In many of these countries, implementation was, however, slow or met only some of the targets, largely due to lack of the technical and managerial capacity at the governmental and enterprise levels to carry out the measures required.

52. Accordingly, UNCTAD has assisted several low-income countries in implementing their public enterprise reforms. The countries concerned are: Albania, Cape Verde, Central African Republic, Gambia, Ghana, Madagascar, Senegal, Tanzania and Uganda. This is being done by way of (a) direct managerial support for restructuring and/or privatization of 10 leading TRPEs; (b) on-the-job training for two of them; and (c) assistance to governmental institutions. The project has also prepared analytical papers on enterprise-related adjustment policies in the LIDCs.

4. The Generalized System of Preferences (GSP) 5/

53. The primary aim of the GSP programme of technical cooperation is to promote maximum utilization by developing countries of this mechanism for non-reciprocal and non-discriminatory preferential tariff treatment. The programme has relied predominantly on training seminars at both the national and regional levels and, to a lesser degree, on advisory services at the national level. During the reporting period, the programme has been financed by voluntary bilateral and multilateral funds. A significant development lies in the increasing use of UNDP national IPF funds for GSP programme-derived country projects during the reporting period - a trend which may be expected to continue.

54. During the reporting period, over 4,400 government officials and participants from the private sector benefited from the 131 training activities in all regions of the world. Particular emphasis was placed on the African region, on new requirements in Central and Eastern Europe, and in the least developed countries. Two national GSP projects, in Indonesia and in Zimbabwe were also operational.

55. The GSP programme as a whole has proved, despite financial and other constraints, to be a valid and viable mechanism for promoting the trade expansion of developing countries. GSP imports under the schemes of OECD countries had increased more than five-fold, from $10 billion to over $56 billion between 1976 (the year in which all schemes became operational) and 1989. A sustained effort is required in terms of both bilateral and multilateral financial support to the programme in order to meet the ever-increasing demand.

5. Control of Restrictive Business Practices (RBPs)

56. The main objectives of the programme are: (i) to ensure, inter alia, that restrictive business practices do not erode the benefits that developing countries may derive from the elimination of tariff and non-tariff measures affecting international trade, and (ii) to attain greater efficiency in international trade and development, particularly that of developing countries, inter alia, through the creation, encouragement and protection of competition. The formal basis for technical cooperation activities undertaken in pursuance of these objectives is "The Set of Multilaterally Agreed Equitable Principles and Rules for the control of Restrictive Business Practices" adopted by the United Nations General Assembly in 1980. Programme delivery is predominantly through regional and national seminars, symposiums and workshops, and advisory missions. An additional mechanism is the provision of UNCTAD substantive support to bilateral assistance initiatives.

57. During the reporting period, regional and subregional events were held in Cameroon (1989), Peru and Venezuela (1990), Thailand, the Philippines and the Republic of Korea (1991). National training events were held in Ghana, Indonesia, Malaysia and Zambia - all four in 1991. Advisory missions were undertaken to China (1989) and to Cuba (1990). The financing for the programme is diverse, drawing on both bilateral and multilateral contributions. Likewise for the programme's technical expertise, which includes experts from national Governments and international entities, such as the EEC.

58. Considerable interest in competition policies and RBP control has been expressed by many developing countries, as well as by countries in transition from centrally-planned to market economies. This interest stems from the market-oriented economic reforms and structural adjustment plans which, inter alia, involve a reduction of government intervention in the economy - often by deregulation, privatization, as well as by the removal of subsidies and the liberalization of prices. In all of this, competition is an essential element. A major objective of these countries is the creation of an appropriate framework for competition, particularly the adoption of appropriate legislation and implementation of judicial and administrative procedures for the control of RBPs. The importance of country-level activities in the present context cannot be overstated; although regional and subregional activities fulfil a useful promotional function, in-depth treatment of the issues involved, including the drafting of legislation, can only be pursued through specific national projects.

6. Technology 6/

59. The Advisory Service on Transfer of Technology (ASTT) continued its activities during the review period aimed at strengthening the technological capacities of developing countries, with special emphasis on least developed countries. Priority was given to activities in the field of human resource development, and to those that assisted and strengthened research and development institutions.

60. In Asia, a regional seminar on "Technology Transfer and Development in a Changing International Environment: Policy Challenges and Options for Cooperation" was organized in Moscow in 1990, with financial support from the USSR. 8/ The seminar, which was attended by 25 high-level experts and executives from various institutions and organizations in Asian developing countries and in developed market-economy countries, Eastern European countries and the USSR, agreed upon a set of practically oriented recommendations to overcome obstacles to the transfer of technology and to stimulate the exploitation of new trade opportunities. For least developed and island developing countries of Asia and the Pacific, under a regional UNDP project, two regional workshops and a study tour were carried out. The first workshop, in Manila, Philippines in 1990 concentrated particularly on technology and management. It was followed by a study tour in Thailand, Malaysia and India, with the participation of national counterparts. The second workshop took place in Nepal, in 1991, and focused on policies, methods and channels for technology transfer and acquisition by LDCs, with a view to examining possibilities for international action in these matters. Activities under the same project included the preparation of surveys of policies and arrangements concerning the importation of technology in Bhutan, Fiji, Maldives, Samoa and Union of Myanmar.

61. In Africa, a training programme for government officials of Burundi was arranged in 1990. It was followed by a national seminar in 1991, that examined national policies and structures for technology acquisition, with particular emphasis on the food processing sector. The recommendations made by the participants included an outline of national policy for technology acquisition, mastery and development and for rendering the agro-food sector more profitable. A report on specific information and selection aspects of

technology imports was prepared in 1991. It will be discussed, along with a report on the application and commercialization of R & D results, at a second national seminar to be held in 1992. A mission to the Gambia was undertaken to assess the country's technical assistance requirements in the field of transfer and development of technology. ASTT contributed substantively to a national seminar on Technological Issues in Industrial Enterprises in Kenya, with ILO in 1990. A mission was undertaken to Senegal to define areas of cooperation for the transfer and development of technology, including enterprises and R & D centres. ASTT took part in the consultations held by the UNCTAD programming mission to Nigeria, and formulated a technology project as part of the overall UNCTAD technical assistance programme. ASTT made substantive contributions to, and participated in, the Symposium on "Somalia's Development Needs in the 1990s", held at Mogadishu in 1990. One of the recommendations adopted by the Symposium calls for UNCTAD's assistance, which will be followed up at the appropriate time. A report identifying requirements for handling technology transfer was submitted to the Government of Tunisia during this period.

62. A regional workshop of specialists on "Technology, Trade and Development Issues in Latin America in the 1990s" was held at Caracas, Venezuela in 1990, in cooperation with PRODEC (Programme for Development Cooperation, Helsinki School of Economics), the Latin American Economic System (SELA) and the Board of the Cartagena Agreement (JUNAC), and financed by the Government of Finland. The workshop proposed several specific modalities for technological cooperation, including new modalities for encouraging technological innovation and development. A mission was fielded to Guatemala at the request of the Government. Recommendations were made for the planned restructuring of the Technology Transfer Unit in the Ministry of Economic Affairs in the light of recently adopted legislation, as well as on related institutional questions. A mission was also sent to El Salvador and a project proposal concerning selected aspects of technology acquisition and training for both government officials and entrepreneurs is being considered. Following a request from the Latin American region and in line with the results of the Caracas Workshop mentioned above, a regional project has been prepared on "Promoting the marketing of research and development (R & D) results by strengthening the links between the academic research community and the enterprise sector" - LATINTEC. LATINTEC is to contribute in a concrete fashion towards new technological cooperation ventures between the academic and business sectors. It will also evaluate and systematize the conclusions to be drawn from a series of initiatives and technological innovation projects recently adopted in the region.

63. In addition to project-related reports and course materials, a number of operationally-oriented documents were prepared. These include an in-depth assessment of the special technology problems of the least developed countries as part of the preparations for the Second United Nations Conference on the Least Developed Countries; a compendium of policy issues on transfer and development of technology in developing countries; and three case studies (two in India and one in Egypt) on the utilization and commercialization of R & D results.

64. The work completed during the reporting period and the evaluations made by participants in specific activities indicate that the developing countries

have found the provision of expertise and support in analysing technology policy issues and options, the assistance for implementing such policy options, the human resource development programmes and the project formulation services useful as they have addressed some of their concerns, though much more remains to be done. Given the multidisciplinary and intersectoral dimensions of technology, it is intended to continue enhancing cooperation and coordination with a variety of national, regional and relevant United Nations organizations involved in technology matters. The UNCTAD secretariat has, during the reporting period, initiated work to meet the substantive requirements identified, including such new areas as environmentally sound technologies.

7. Trade expansion with countries in Eastern Europe

65. This programme has the basic objective of promoting "East-South" trade. It utilizes for its delivery seminars/workshops that encourage interactions among economic operators. The programme has relied largely on cost-sharing arrangements for its funding.

66. Training events conducted in pursuance of this objective combine research and dissemination of relevant information, advisory services and trade consultations among the target actors. Thus, time is set aside during a training event for direct business contacts between participants from Central and East Europe and developing countries. In the context of the programme, such an exercise is called a "Business Week". During the reporting period, seven such national workshops-cum-business weeks were undertaken, covering India, Morocco, Republic of Korea, Malta, Turkey, Philippines and Singapore. A subregional workshop for ASEAN countries on the development of trade with the countries of Eastern Europe was held in January 1989. At the interregional level, two workshops were held for Trade Representatives/ Economic Counsellors of developing countries accredited to the former USSR, along essentially the same lines as the national workshops described above. National surveys are prepared as background material for the training events.

67. Approximately 1,000 officials from about 100 developing countries representive of both the private and public business sectors (officials from ministries, chambers of commerce, banks, enterprises, etc.), benefited from the above-mentioned activities on an interregional, regional and national basis. During these activities about 800 individual and bilateral business consultations were organized, some of which led to concrete results and commercial transactions (signature of trade agreements and protocols, initiation of first business contacts, etc.).

B. Resources for development programmes

1. International monetary issues

68. UNCTAD assisted the Group of twenty-four (G.24), representing developing countries as a whole, in building up their capacity in international monetary negotiations and to strengthen their technical preparedness so as to participate effectively in and contribute to all phases of discussions and negotiation within the framework of the IMF and World Bank. Financing for

this purpose came from UNDP, the International Development Research Centre of Canada (IDRC), the Government of the Netherlands as well as contributions from the Governments of G.24 countries.

69. Analytical studies, reports and research papers were submitted to the G.24. Notable among these were: the World Bank's role as a borrower; aid in the 1990s with special reference to the World Bank and IDA; gradualism and sequencing versus comprehensive "shock" policy reform; implications of the progress/lack of progress in the Uruguay Round with particular reference to the treatment of services, rights of establishment and capital flows. In addition, the project director and UNCTAD staff participated in the Deputies and Ministers' meetings of the G.24 held prior to the regular Fund and Bank meetings. The Group of twenty-four has welcomed the output of the project and has given fresh direction and guidance for a further programme of research and policy analysis.

2. Development finance

(a) Debt management

70. The debt difficulties of developing countries have a number of dimensions, both national and international. Nationally, Governments need to improve upon or establish debt-management systems so as to have access, at any time, to up-to-date information of the country's external obligations. To assist in this task, UNCTAD has developed a technical cooperation programme known as the Debt Management and Financial Analysis System (DMFAS). At the core of the programme is a computer-based management information system. The objective is to strengthen the technical capacity to monitor external resources and debt-service obligations; to relate debt-service projections to forecasts for the external sector as a whole; and to improve capacity to select appropriate external borrowing strategies.

71. A major development in the programme occurred during the reporting period, when in 1991, the World Bank and UNCTAD agreed to join forces to extend technical cooperation to developing countries in the area of debt management. Both organizations are approaching UNDP in a coordinated manner to co-sponsor this joint endeavour that allows for cooperation on a wide range of activities, for some of which UNCTAD will take the lead and for others, the World Bank.

72. Assistance under the DMFAS Programme falls broadly under four headings, namely, software, institutional aspects, training, and advisory services.

(a) Software: A new version of the software, version 4.1 and the related documentation, was released in 1991. User-friendly, it performs better as regards processing speed and flexibility in report generation, and has a facility for reporting to the World Bank's Debtor Reporting System (DRS). Following the agreement between the World Bank and UNCTAD, work has started on the development of a new computer-based management information system drawing upon the experience of the two institutions and reflecting the most recent state-of-the-art computer technology. Pending the development and implementation of the new system, the World Bank and UNCTAD have agreed to

launch a joint software package in the second half of 1992 merging features of UNCTAD's present DMFAS and the World Bank's Debt Monitoring System (DMS).

(b) Institutional aspects: It is increasingly recognized that in order to achieve optimal results, an adequate legal, institutional and administrative framework to handle debt and coordinate debt policies is necessary. During the period under review the DMFAS Programme issued a document on Effective Debt Management, which outlines the main functions of debt management and their inter-linkages.

(c) Training: During the period under review, three regional seminars and two interregional ones were organized. In addition, the Programme arranged working visits and study tours among debt managers in different countries and in-service training at UNCTAD headquarters. Extensive on-the-job training takes place during installation of the system at the country level.

(d) Advisory services: There has been an increasing demand on the advisory services of the Programme. In 1991, a total of 36 missions were undertaken, up from 28 in 1990 and 27 in 1989.

73. The DMFAS is now installed and operational in 18 countries. During the period under review, projects were successfully concluded in 11 countries. At the end of the period there were 9 active projects, while 7 draft country projects had been designed at the request of the Governments concerned. They are currently being considered by them and donors for implementation.

74. UNCTAD's debt management activities have been funded mainly through UNDP-financed country and regional projects. During the period under review, bilateral contributions, including provision of Associate Experts, were received from Belgium, Germany, Italy, Netherlands and Norway, with France providing a full-time Financial Economist.

(b) Other activities dealing with the debt problem

75. The UNCTAD secretariat has also undertaken a project, with the support of Italy, entitled "Activities related to technical support to African Debtor Countries". Its aim is to assist African debtor countries in coping with the complex issues arising from the negotiation and conclusion of bilateral agreements with Paris Club creditors. This aspect of the debt rescheduling process has revealed a number of shortcomings, such as lengthy delays and even outright breakdowns of negotiations which threaten to undermine the debt rescheduling strategy itself. Missions were undertaken to Guinea, Mozambique, Nigeria, Senegal, Tanzania, Togo, Uganda and Zambia. On the basis of these field missions, as well as of visits to the appropriate institutions in the major creditor countries, a study on the problems and issues affecting the conclusion of bilateral agreements between African debtors and Paris Club creditor countries has been prepared.

76. A related activity was the technical support provided for the Implementation of Recommendations of the Report of the Personal Representative of the Secretary-General on Debt (the Craxi Report), particularly those concerned with debt conversions and non-debt creating flows. Experience so

far has shown that where meaningful reductions have been made (Mexico, Chile, Costa Rica) the impact on investment and economic growth has been remarkable. An urgent effort is needed to broaden this process, especially with respect to official bilateral debt and to the opportunities that conversion mechanisms provide. Missions were undertaken to a number of creditor and debtor countries and consultations were held with relevant institutions, on the basis of which a comprehensive technical study on the conversion of official bilateral debt has been prepared.

3. Insurance

77. The objectives of the Insurance Programme are to: (a) assist developing countries in overcoming structural and technical constraints which inhibit the development of their insurance markets; (b) assist in maximizing their insurance retention capacity, thus reducing unnecessary outflows of foreign currency and of resources which would otherwise be available for development purposes; and (c) obtain equitable terms and conditions when resorting to the international reinsurance markets.

78. In Africa, national activities were undertaken: in Kenya, by providing support in the establishment of a full operational supervisory body; and in Zimbabwe, in the form of training programmes for the staff of the supervisory authorities. At the regional level, UNCTAD helped to establish a regional insurance training centre for East and Southern Africa to be located in Zambia; organized a Reassessment Workshop on the African Insurance Markets in Morocco at which more than 60 high-level representatives from 35 African countries participated, a Reinsurance Exchange Meeting in Zimbabwe which provided an opportunity to African companies to exchange business among themselves.

79. In Asia, activities carried out included an advisory mission to Bangladesh to strengthen the capacities of the Bangladesh Insurance Academy; in Maldives, to assist in the development of the domestic insurance company; and in Myanmar, to assist the State-owned insurance organization in establishing itself as a modern and respectable company. At the regional level, UNCTAD organized courses, workshops and seminars for the supervisory authorities of the ASEAN countries. In addition, a seminar on financial management and supervision was organized for the supervisory authorities of countries of Asia and the Pacific, and advice provided to the regional reinsurer, Asian-Re. The technical cooperation provided has helped to enhance the technical know-how of staff of supervisory authorities or of companies, to adapt legislation to local conditions and improve the functioning of markets. At the regional level, greater cooperation, an increased flow of information as well as cohesion have been obtained in the field of supervision and other aspects of insurance. Regional capacities and technical expertise for reinsurance have been enhanced.

80. Assistance for the Arab States included, for Djibouti, advice to Government in the area of legislation, market structure and supervision; and for Oman, a feasibility study on the establishment of a domestic reinsurance company.

4. Other RDP activities

81. The countries of Central and Eastern Europe, in undergoing transformation from centrally planned to market-based economies, have faced certain unique problems not previously confronted in practical terms by either their Governments or economic theory. It was considered prudent to assess the relevence of their experiences for the reform process in Central and Eastern Europe. With UNDP finance and the support of the private sector of the Hungarian Government, an ambitious research programme has been launched, under the auspices of the Hungarian Institute KOPINT-DATORG. An international conference on "Attempts at Liberalization: Hungarian Economic Policy and International Experience" was organized in Budapest in November 1989. The proceedings of the Conference were issued as "Foreign Economic Liberalization: Transformations in Socialist and Market Economies". Through research and study tours, the project's activities have made an important and timely contribution to the body of knowledge in this field by clarifying policy options and their impact on economies undertaking radical transformation. A new stage has recently been launched with support by the Netherlands which seeks to explore the impact of the reform process on privatization, foreign investment and domestic savings.

82. Linking the problems of resources and the environment, UNCTAD undertook a comprehensive study, with the support of the Netherlands and Norway, on the technical and institutional aspects of a global system of tradeable carbon emission entitlements. The basic objectives of the study were (a) to define an internationally acceptable market-based mechanism for controlling the worldwide growth of carbon emissions, in an efficient and cost-effective way; and (b) to develop an instrument for the transfer of resources to developing countries to enable them to make a credible contribution to global warming abatement efforts, while pursuing their own development. Work for this study, which was completed in early 1992, included the convening of two technical expert workshops. The study constitutes a contribution by UNCTAD to the 1992 Earth Summit in Rio de Janeiro. Further work is anticipated in light of the findings of the study and of UNCED.

83. A project supported by the Netherlands, examined the application for developing countries of the "polluter pays principle" currently applied in certain OECD countries as an instrument of environmental control.

84. Under a UNDP preparatory assistance project, work began in a preliminary way on the establishment of a stock exchange in Zambia. Technical and expert advice was provided to government officials and representatives of the private sector in Zambia in September 1991. Work on this proposal will continue in light of the economic reform process now under way.

C. Commodities

85. UNCTAD has the primary responsibility within the United Nations system for international commodity policy and commodity trade. In this role it has promoted the negotiation of international commodity agreements and cooperation among producers and consumers in an attempt to stabilize market conditions for a wide range of primary commodities.

86. Commodity exports constitute the major source of foreign exchange earnings for most developing countries, and commodity production and related activities account for a large part of their gross national product. UNCTAD's technical assistance has therefore addressed the need to improve the capacity of developing countries to formulate and implement policies for the export of their commodities; to adopt diversification programmes; to promote the processing of commodities before export; to increase the participation of developing countries in international marketing systems for commodities; to obtain and utilize necessary information to facilitate investment and marketing decisions; and to improve the ability of developing countries to participate effectively in international negotiations on commodities.

87. Over the period 1989 to 1991, UNCTAD has carried out studies on selected issues, including analyses of the evolution of the various commodity markets; it has promoted the exchange of experience on aspects such as the liberalization of export marketing systems and the respective roles of the State and of enterprises in the export of commodities; it has studied the implications for export policies of utilizing commodity exchanges and other mechanisms for international trade; and the impact of changes in international marketing systems on national export policies. These activities have been developed to improve market transparency and help policy makers in developing countries to formulate their commodity policies. For example, a round table on international commodity policies was held in Moscow in 1991, in cooperation with the Ministry of Foreign Economic Relations of the former USSR to bring together commodities' producers and consumers to discuss how to maximize the contribution of the commodities sector to growth and development.

88. For individual commodities, UNCTAD has organized a number of consumers/producers meetings where views and information are exchanged on the market situation of specific commodities and international commodity agreements or arrangements for particular commodities are negotiated or renegotiated.

89. At the sectoral level, useful experience has been obtained through a project examining the role of the minerals sector and development (MINDEV), which was initiated in 1988 with the support of the Governments of Norway and Sweden to assist developing countries in the planning of mineral sector programmes. More specifically, it aims at identifying policies and instruments which are most likely to advance the integration of this sector in the economy as a whole and thus promote a broader-based and eventually self-sustaining process of development. The following activities were undertaken under the project: a descriptive and quantitative analysis of the mineral sector in over 30 countries; a more detailed analysis of countries with an important non-fuel minerals sector. Work has been completed for Chile, the Dominican Republic, Indonesia, Morocco, Peru and Zimbabwe. Three regional seminars were organized for government officials concerned with policy formulation for the mineral sector: in Latin America in 1988; Asian/Pacific in 1990; and Africa in April 1992. Separate studies on specific issues and on the structural changes in the international mineral industry were also undertaken, and the organization of a joint interregional meeting of experts is planned for early 1993, which will draw conclusions from the preceding work elements and formulate policy recommendations. It is expected that the experience obtained through the MINDEV project will provide the basis

for a continuing programme of policy development for the non-fuel mineral sector. It will focus particularly on policies designed to stimulate the establishment of backward and forward linkages, to attract investment with appropriate conditions and ensure the economic and ecological sustainability of mineral sector projects.

90. Work had started in 1991 on the establishment of a Microcomputer-based Commodity Information and Analysis System (MICAS) with the financial support of the Italian Government. The aim is to provide developing country Governments with an improved basis for taking decisions regarding investment, marketing, diversification and formulation of general commodity policies. So far, a computer simulation illustrating the operations and functioning of MICAS has already been produced and has been used for demonstrations in all three developing regions. Work continues on the development of the pilot version of the system and other related activities.

91. In 1991, UNCTAD started to implement a project to promote vertical diversification, financed by the Government of Japan and by UNDP. This pilot project, developed in cooperation with competent international organizations and beneficiary countries, is expected to test a new approach to cooperation between international organizations and commodity processing countries. There will be an opportunity to assess the feasibility of a coordinating mechanism consisting of a core group, designed to identify and evaluate potential areas for processing, and of country round-table meetings to consider support for, and investment in actual projects, supported by complementary technical assistance and advice. The project is intended to encourage the participation of private investors (local and foreign) in processing activities. In its pilot phase, the project is concentrating on two commodity-dependent developing countries: Cameroon and Solomon Islands, whose commodity exports are mainly in the primary or elementary semi-processed form. After this phase, an assessment will be undertaken to determine if the project activities could profitably be extended to other commodity-dependent developing countries.

92. Over the period under review, UNCTAD has also provided for exchange of experience and training on commercialization policies, including the role of risk management instruments in marketing strategies. The first activity, a seminar on trade policies and use of futures' markets for traders in exporting countries (coffee, cotton and cocoa) was held in May 1991, as part of UNCTAD's TRAINFORTRADE programme (see paras. 168 and 169 below). Under UNDP-funded preparatory assistance, UNCTAD also started the formulation of an interregional programme on policies for improving the commercialization of commodities by developing countries.

93. With special reference to Africa, UNCTAD provided support in 1989-1990 to the Expert Group on African Commodities and Export Diversification appointed by the Secretary-General of the United Nations, through a UNDP-funded project. UNCTAD also assisted the ACP group of States in 1989-1990 in the negotiations of the Fourth Lomé Convention. This assistance covered commodity-related areas such as STABEX, as well as others including trade in services and rules of origin, as well as a review of the ACP secretariat.

94. Also during the period under review, a number of technical cooperation activities were designed. These include a project aimed at the expansion of

production and trade of environmentally-friendly products, notably agricultural commodities, in developing countries. A complementary project supported by the Netherlands Government examines the links between market conditions and intensity of resource use, especially environmental effects, and aims at identifying policies which will ensure that international commodity trade promotes sustainable development by taking full account of environmental implications. Finally, a number of project proposals would seek to develop higher participation of local and international enterprises in priority commodity areas through the development of regional investment information and promotion services. The latter would encourage investment through business partnerships and joint ventures among producers, processors and distributors of primary commodities.

95. Many developing countries, particularly the least developed ones, are deeply concerned about their deteriorating food situation and the need to spend increasing amounts of foreign exchange on food imports. Whereas transnational food-exporting companies and grain boards in developed countries have a long experience in cash and future trading, many buyers in developing countries lack the information, skills and expertise necessary to purchase food from foreign suppliers. This leads to inefficiencies in import procurement and to higher import costs, with a resulting strain on scarce foreign exchange. In order to assist food-importing developing countries in improving their import management and their policies, the UNCTAD interregional service on Import Management and Policies for Food Commodities was established in 1989 with the support of the Governments of Italy and Switzerland to provide advice to Governments, parastatal organizations, chambers of commerce and the private sector on:

(a) International procurement of food commodities, including grains and rice, sugar and vegetable oils and cakes (e.g. market information, procurement planning, tender terms and procedures and contract design);

(b) Import policies and pricing, including evaluation of governmental food import systems; assessment of effects of liberalization of food imports and pricing of food.

96. Advisory missions took place in 26 developing countries during the period 1989 to 1991. The project also provided fellowships and training with commodity trading corporations, grain boards and inspection companies and organized five commodity trading seminars/workshops for 90 participants to exchange experience and be trained on international food procurement and exploitation of new trade opportunities, especially among developing countries. Project staff lectured in seminars on international grain procurement organized by the International Finance and Commodities Institute in Geneva. The project arranged for the negotiations of five government-to-government commodity contracts at a value of US$ 25 million and subcontracted to ITC the establishment of a weekly rice market news service. Beneficiaries of the service made a financial contribution to the service at a value of $120,000.

97. Following an evaluation of the service by the Société Générale de Surveillance (SGS) in 1991, project activities will continue with important modifications thereto, particularly regarding the mobilization of increased contributions from beneficiary countries.

D. Economic Cooperation among Developing Countries

98. Technical cooperation to promote ECDC encompassed assistance to economic groupings, cooperation on financial and monetary matters, enterprise cooperation, and the Global System of Trade Preferences among developing countries. In most cases, UNDP provided the necessary support.

Subregional economic groupings and arrangements

99. In Asia, UNCTAD was associated with a project to assist member States of the Bangkok Agreement, consequent to the Second Round of Negotiations, to extend membership to Afghanistan and Papua New Guinea. UNCTAD developed and provided trade data covering products of export interest to the prospective member States and of import interest to member States of the Agreement. These data analysed the potential for expanding trade through the exchange of tariff preferences. In addition, in response to the request of participating countries of the Bangkok Agreement, UNCTAD, in cooperation with ESCAP and UNDP, has undertaken the necessary technical studies for the establishment of a Regional Investment Information and Promotion Service, for Asia and the Pacific (RIIPS), so as to facilitate the promotion of industrial joint ventures and entrepreneurial cooperation in the region. The detailed proposal for establishment of RIIPS, drafted by UNCTAD, is undergoing scrutiny by the concerned United Nations agencies and member countries.

100. UNCTAD also provided assistance to the Asian Clearing Union (ACU). Thirteen technical studies were prepared on the benefits and costs to individual ESCAP member countries of joining the ACU. These formed the basis for consultations among the ACU and ESCAP members during a meeting organized jointly by the Central Bank of the Islamic Republic of Iran, ESCAP and UNCTAD. As a follow-up to these consultations, the Philippines and China indicated their readiness to consider joining the ACU. UNCTAD has also provided logistic support and training to the ACU secretariat.

101. For the ASEAN countries, UNCTAD supported the meeting of the national coordinators on ASEAN banking and financial policies, held in Thailand. The meeting drew up a set of concrete policy recommendations to the ASEAN Standing Committee which met in December 1991.

102. In the Arab countries, in cooperation with ITC and UNDP, UNCTAD is assisting the Arab Trade Financing Programme (ATFP) through the drafting of an operational manual on use of credits by the 21 member countries. It is also organizing two seminars on trade financing for intra-Arab trade. Support was also provided to the Gulf Cooperation Council (GCC), in particular as regards the harmonization of tariffs and related measures. The result of the studies undertaken in this connection should facilitate negotiations among GCC countries for arriving at an agreed structure and rates for a GCC common external tariff. An examination was undertaken of customs administrations in

several of the United Arab Emirates, with a view to formulating recommendations for streamlining and unifying the administration at the appropriate time.

103. In Africa, UNCTAD provided assistance to the Economic Community of Western African States (ECOWAS) in the areas of coastal shipping, common external tariff and monetary and financial cooperation. With regard to coastal shipping, on the basis of a study undertaken earlier by UNCTAD, the practical aspects of the implementation of its recommendations were explored with the ECOWAS secretariat and a promotional meeting of Governments, subregional organizations and potential investors was held in April 1992. As regards the common external tariff, meetings of customs administrations, government officials and economic operators of member countries were organized in 1991 with a view to examining the basic aspects of a common external tariff for ECOWAS. In respect to monetary and financial cooperation, UNCTAD prepared terms of reference and a work programme relating to the establishment of a single monetary zone. Support is being provided to the group of experts of Central Banks in charge of the implementation of the programme for the eventual full convertibility of ECOWAS currencies. Substantive technical support to the West African Clearing House continued in 1991 through the revision of the feasibility of a credit fund for the Clearing System, including also contacts with potential donors such as the EEC and the World Bank.

104. In the case of the Economic Community of Central African States (ECCAS), UNCTAD provided assistance relating to the rules of origin and harmonization of trade and customs documents, regulations and legislation. A study on the ECCAS compensation fund for loss of budgetary resources consequent to the implementation of the trade liberalization programme is being undertaken in 1992. With regard to the Common External Tariff (CET), the study undertaken for ECOWAS on the basic aspects of a CET is being adapted for ECCAS.

105. In southern Africa, assistance was given to Lesotho and Swaziland under a subregional project, from which Botswana and Namibia also benefited, in preparing for negotiations with the Republic of South Africa regarding the Southern African Customs Union Agreement (SACU). This assistance involved the preparation of a number of technical studies and memoranda on various aspects of the SACU Agreement as well as negotiating briefs for the use of BLNS negotiators.

106. The Preferential Trade Area for Eastern and Southern African States continued to be a major beneficiary of UNCTAD assistance in the various areas of the PTA's economic cooperation and trade liberalization programmes, including payments and monetary harmonization, trade facilitation measures and preparatory work in relation to customs computerization and harmonization.

107. Under a project started in 1991, "Financial and other support to regional and subregional integration groupings", UNCTAD with the support of the Government of Japan is reviewing current international economic assistance programmes for regional groupings and how they are utilized in order to:
(a) identify the areas where support from the donor community is needed; and,
(b) prepare the basis for a new approach to economic cooperation between the

regional groupings, on the one hand, and the donor community, on the other. Based on the information so obtained, suggestions will be made to improve the modalities and structures of economic assistance for regional and subregional economic cooperation and integration groupings. The project intends to provide an opportunity for meetings between representatives of regional groupings and the donor community, as well as seminars/workshops to assist regional groupings seeking information on access to donor support.

Enterprise cooperation

108. With UNDP support, UNCTAD continued to provide assistance towards promoting economic and technical cooperation between Africa and Latin America. From 1989 to 1991, activities have concentrated on assisting enterprises in the foreign trade sector of both regions in organizing themselves into regional associations and to cooperate with each other. Thus, a meeting of the Coordination Committee of African and Latin American Foreign Trade Enterprises was organized in April 1990 and a meeting on the role of African trading enterprises in South-South and regional trade expansion was organized in June 1991. This led to the establishment, in December 1991, of the Association of African Trading Enterprises (ASATRADE), based on draft statutes and work programmes prepared by UNCTAD.

109. A business mission of African entrepreneurs to Argentina was organized in May 1990. A mission to the Canary Islands was organized in December 1991 for economic operators from Cape Verde to examine possibilities of cooperation. Both missions led to concrete results on trade and economic cooperation. Under the same project, a meeting of Governors and High-level officials of African and Latin American Central Banks on the financing of trade between Africa and Latin America was held in December 1990. They adopted a number of measures for the establishment of correspondent links between the commercial banks of the two regions and the promotion of joint ventures. A seminar on trade expansion between Africa and Latin America through countertrade and other non-traditional methods was organized in Rio de Janeiro, Brazil, in August 1989. Two studies on Multinational Enterprises in Africa and in Latin America were prepared as well as a study on the identification of joint enterprises between Côte d'Ivoire and Latin America.

110. Under a separate project, UNCTAD provided assistance to the African, Caribbean and Pacific Group of Countries (ACP) by preparing a draft programme of work for the establishment of joint enterprises by investors of ACP countries.

The Global System of Trade Preferences among developing countries (GSTP)

111. The Agreement on GSTP entered into force for the first 15 ratifying countries on 19 April 1989 and for 13 other countries by the end of the year. During 1990 and 1991, 10 other signatories ratified the Agreement bringing the total number of participants to 38 countries. Since the Agreement entered into force, trade flows under the Agreement have taken place although in the initial years of operation they are expected to remain modest. The GSTP Committee of Participants, the governing body of the Agreement, agreed on 31 October 1991 to the launching of the Second Round of GSTP Negotiations. The Ministerial Meeting on GSTP, held in Tehran on 21 November 1991, adopted

the Tehran Declaration on Launching the Second Round, with the aim of facilitating the process of accession to the Agreement and carrying forward the exchange of trade concessions. The Declaration provided for the establishment of a Negotiating Committee for the Second Round which should be concluded not later than July 1994.

112. During 1989, 1990, and 1991, the GSTP project provided technical and operational support related to the implementation of the Agreement and the effective utilization of the GSTP concessions. The project serviced the Committee of Participants and its subsidiary bodies and provided studies, data, documentation and briefings. The project also extended the required supportive activities concerning the preparatory work for, and the conduct of, the Second Round. Up to the end of 1989, the GSTP Project was financed by the ECDC Trust Fund, subsequently named Pérez-Guerrero Trust Fund (PGTF), with UNCTAD as executing agency. In 1990 and 1991, the project was financed by the PGTF and by the contributions of participants to a GSTP Trust Fund, administered by UNCTAD. The Tehran Ministerial Declaration requested the GSTP project to continue providing supportive activities and technical assistance to GSTP participants and other members of the Group of 77, in the conduct of the Second Round of negotiations. The Declaration also requested the Pérez-Guerrero Trust Fund to provide financial support for the conduct of the Second Round and for the implementation of its results.

E. Least developed countries, land-locked and island developing countries

Support to the trade and external sector of LDCs

113. The efforts made by least developed countries to strengthen their trade sector continued to be supported by UNCTAD through several country and intercountry technical cooperation projects. Bhutan was assisted in the area of trade classification. In Cape Verde, assistance was provided in developing an action plan and the institutional capacity - including the promotion of a fully integrated and efficient services infrastructure - to underpin the country's export drive. In Gambia, policy advice was offered to the Government on trade negotiations, and the establishment of a trade statistical database. In Guinea, UNCTAD has assisted with policy advice in such areas as trade facilitation, installation of a computerized system for monitoring external trade, organization of domestic trade; and assistance in preparing the groundwork for the establishment of a fully computerized trade statistics and customs information system. In Uganda, activities have concentrated on establishing procedures and institutional arrangements for negotiating countertrade and the operation of the export certification system, and in elaborating a strategy for the establishment of a fully functional trade statistical database. In Yemen, a project to strengthen the trade sector recommended improvements in the control/supervision of the trade sector; it formulated guidelines for the operation of parastatal trading corporations, and for strengthening and improving procurement procedures for basic commodities; it also helped establish a Trade and Pricing Information Unit, and undertook training for counterparts in Government and parastatal enterprises. Despite difficulties, the project succeeded in achieving its objective, especially in the area of pricing, procurement and trade information.

114. Asia and Pacific least developed countries (APLDCs) were assisted under a UNDP regional project in improving their planning and policy formulation and in strengthening their overall institutional structure in the trade sector. In-depth national case studies were undertaken, and two meetings organized in cooperation with regional institutions, on trade policy and planning in APLDCs in Dhaka and on promoting indigenous private enterprises in Seoul, in August 1990.

Activities related to the Second United Nations Conference on Least Developed Countries

115. In relation to the Second United Nations Conference on the Least Developed Countries (UNCLDC II), held in Paris in September 1990, a large-scale UNDP interregional project, complemented by several funds-in-trust projects financed by bilateral donors, was undertaken by UNCTAD. These projects assisted individual least developed countries to prepare country memoranda for the Conference and to participate effectively in various preparatory meetings and in the Conference itself.

116. As part of the Conference preparations, a number of issue-oriented meetings were convened, starting with the meeting of Eminent Persons on the Least Developed Countries (The Hague, 15-16 September 1989), which focused on the identification of the constraints and bottlenecks hindering the LDCs' development and on the national and international policy measures required to accelerate their development. Other expert meetings included: the Role of the Enterprise Sector (Helsinki, April 1989); the role of Non-Government Organizations (NGOs) (Kathmandu, November 1989); the Role of Women (Niamey, January 1990); and cooperation between Least Developed Countries and the Countries of Eastern Europe (Moscow, February/March 1990). Also undertaken were specialized consultant studies (including one on Aid Coordination and Effectiveness in the LDCs) and an Atlas of the LDCs.

117. Technical cooperation activities were also initiated to help LDCs act on the results of a follow-up to the Conference, as set out in the Paris Programme of Action. A project for the assessment of constraints, prospects and policy requirements for trade diversification in the LDCs was initiated in June 1991 and field work undertaken in five LDCs (Bangladesh, Benin, Haiti, Mozambique and Niger). The country studies, together with an overview, will be discussed at a meeting of experts to be held in 1992. Another interregional trust-fund project on aid coordination and management was approved on a pilot basis. It would assist Governments in improving the efficiency of their national machinery for the coordination of external aid.

Land-locked Developing Countries

118. Increased importance was given to transit transport projects linking land-locked countries (most of them being also among the least developed) and their transit neighbours in joint endeavours to reduce transit costs and expand trade. Three transit traffic projects covering Southern, East-Central and West-Central African subregions continued during the period 1989-1991. 8/ These were mainly geared towards the implementation of operational and policy recommendations made during previous phases. The projects benefitted from the

closer involvement of relevant subregional institutions which reviewed and participated in project activities, particularly in the area of human resource development.

119. Activities in East-Central and West-Central African subregions have included: assistance in the implementation of customs control measures and those designed to streamline other transit documentation procedures; assistance in updating transit data related to the performance of transport operators along transit corridors; assistance in implementing transit agreements and arrangements and in their review so as to adjust to changing situations; and exploratory and promotional work in the development of dry ports. National professionals were placed to assist key institutions dealing with transit matters. The projects also organized a series of workshops on transit documentation in both subregions, a sensitization seminar on the development of dry ports in West/Central Africa and a major symposium on overall aspects of transit traffic in East/Central Africa.

120. In southern Africa, work is at a more advanced stage. In the area of transit documentation, assistance was provided to put in place more streamlined and harmonized documents. Further assistance was also provided to strengthen the operational capacity of national trade facilitation committees whose function is to ensure that the agreed documents and procedures are adhered to by all parties concerned. Continued work in the area of transit documentation will be possible through the availability of additional resources from USAID, complementing those of UNDP over the period 1992-1994. Other areas covered included: (a) support to Botswana, Lesotho and Swaziland in devising a strategy to expand their road haulage industry in response to their newly negotiated bilateral agreement with South Africa; (b) further assistance to the ministries of transport to improve the efficiency of their transit traffic policies; (c) assistance in promoting a more effective implementation of bilateral and subregional transit agreements and arrangements; (d) assistance in establishing an institutional framework for the development of dry ports; and (e) regular review and updating of transit information on the developments along major transit corridors. In the area of human resources development, activities included workshops on transit documentation and on the small-scale road haulage operations.

121. The results and impact of the work carried out within the framework of the above three projects is broadly two-fold. First, government institutions dealing with transit matters have been sensitized about the nature and scope of constraints resulting from an inefficient transit traffic system. They are now more aware of the impact of high transit costs associated with poor transit-transport infrastructure, inefficient management of transit operations and weak institutional capacity to implement effective transit policies. Likewise the need for closer cooperation between land-locked and transit countries in resolving these problems is now better understood. Secondly, the projects have made recommendations for corrective action in the above areas. Assistance with their implementation has begun. The impact has been a gradual easing of the above-mentioned constraints, particularly in southern Africa.

122. In the Asian region, during the period under review, some work was undertaken to assess the transit situation in the region. On the basis of this assessment, a project document will soon be presented to potential funding agencies.

F. Shipping and Maritime Transport

Shipping Services

123. Since the vast majority of international trade is carried by sea, efficient shipping services are a vital concern for developing countries. UNCTAD provides advice and assistance on the establishment and strengthening of merchant marine services, the establishment and operation of shippers' councils, the drafting of national and international maritime legislation and the implementation of conventions negotiated under UNCTAD's auspices.

124. Four national projects - in Ethiopia, Libya, Maldives and Panama - together with five regional projects - four in Africa and one in Central America - were operational during the reporting period. Two of the regional projects - in Central America and in West Africa - have as objective the modernization and harmonization of maritime legislation so as to promote more effective and profitable maritime transport in the respective regions. The Central American project is being carried out in collaboration with the International Maritime Organization (IMO). The national project in Ethiopia has also involved the preparation of draft laws and regulations on various aspects of maritime transport aimed at providing the country with a comprehensive and up-to-date maritime code.

125. Of the three other regional projects in Africa, one was a feasibility study for the establishment of a coastal shipping service in West Africa. The results of this study are being discussed with commercial and financial interests in the subregion to see how a joint cargo/passenger service can be implemented. The second was intended to assist land-locked countries in the formulation of shipping policies. Assistance has been provided towards the creation of new shippers' councils and the restructuring of existing ones, and also on the creation of national shipping lines. The third project helped create a shipping information system for the East African countries members of the Intergovernmental Standing Committee on Shipping, and also contributed to the revival of national shippers' councils in the countries concerned.

126. A maritime cargo information system which tracks inter-island cargo movements was developed for the Maldives, a market research study was carried out as a basis for establishing Panama as a maritime centre, and a preparatory assistance project in the Libyan Arab Jamahiriya developed proposals to assist the General National Maritime Transport Company in improving its organizational structure and fleet composition to enable the company to operate as efficiently as possible.

Port Development and Management

127. Since port costs - both direct and indirect - constitute a significant proportion of the transportation costs of international shipments, increased port efficiency can help lower transportation costs. Moreover, modern ports

can add value to the goods transitting through them. These two factors are important for the stimulation of world trade. The aims of the technical cooperation activities are to improve efficiency and enlarge the range of services offered by modernizing the organizational set-up of the ports sub-sector as well as reinforcing its managerial capabilities.

128. Two national preparatory assistance projects were undertaken. The first, for Malawi, advised on a system for improving the administration of the country's lake ports, while the second, for Haiti, developed a project aimed at improving port productivity and the planning and management capabilities of the National Port Authority.

129. Two regional projects were undertaken. The first provided assistance to the ports of West Africa in establishing a harmonized port tariff structure in the subregion's ports and the setting up of an analytical cost accounting system in selected ports. A simulation model was also developed to enable ports to measure the effect on revenue of various tariff levels. With the assistance of port experts from the region the new cost accounting system and tariff structure are being implemented in four countries of the subregion and others are expected to follow suit.

130. The second project, entitled Human Resources and Institutional Development in Sub-Saharan African Ports, could be the most important one in view of the potential impact the results will have on future technical cooperation activities in the ports field. The first phase of this project has identified those factors which helped or hindered the development of human resources and the efficient functioning of the port, the objective being to learn from past experience in order to prepare better technical cooperation programmes in the future. A parallel exercise was carried out in the field of multimodal transport (mentioned below) and similarly other organizations studied shipping, roads, railways, air transport and telecommunications. The results of all these studies have been disseminated to African policy makers and senior managers through a series of subregional workshops. These results will be reflected in the development of projects to be carried out during the Second United Nations Transport and Communications Decade for Africa (1991-2000).

Multimodal Transport

131. Multimodal transport, i.e. door-to-door transport under a single carrier's responsibility, is expanding rapidly in industrialized countries, although less so in developing countries, where international transport operators, users, and government officials have yet fully to recognize its importance in improving the physical flow of international trade while reducing costs to the economy. The objectives of UNCTAD's technical cooperation activities in this field are:

- To create an awareness of international trade and transport issues among Government officials and top executives from the private sectors;

- To create the legal and institutional framework for the development of efficient trade and transport operations;

- To suggest commercially viable reforms and instruments for the development of efficient trade and transport operations;

- To improve the management of the transport chain; and

- To establish the basis for adequate training programmes in international trade and transport.

132. Two national projects, in Benin and Ethiopia and one subregional project, for the countries of the Andean Pact, together with three large-scale subregional projects in Africa have been carried out in the period under review. In addition, a study of human resources and institutional development in multimodal transport in Sub-Saharan Africa was done along the same lines as the port study mentioned above in paragraph 130.

133. The objectives of the project in Benin were to improve the efficiency of the National Shippers' Council, to promote the development of multimodal transport and to conduct a training programme for government officials and potential multimodal transport operators. The project proposed a set of recommendations to increase the Shippers' Council's capability in freight rate negotiations, to facilitate trade and transport in and through Benin and to streamline the movement of goods in the Benin transport chain. A programme of action was developed to allow for the implementation of the recommendations.

134. The objective of the project in Ethiopia was to upgrade Ethiopian freight-forwarding activities related to both domestic and international trade and to introduce multimodal transport, thus enhancing the participation of the State's freight-forwarding corporation in international transport. In a first phase, a diagnostic was prepared covering legal, institutional, trade facilitation and operational aspects. In a second phase, new national legislation was drafted, a Trade and Transport Facilitation Committee established and the delivery of training programmes in trade facilitation, multimodal transport and container terminal management was organized. In addition, a work plan was prepared covering the implementation of regulations and procedures for more efficient movement of containers between Assab and Addis Ababa.

135. A subregional project was initiated in collaboration with the Commission of Cartagena Agreement (JUNAC) for the Andean Pact countries in 1990. The overall objective of this project is to increase the contribution of the Andean countries' transport sectors to subregional development and integration. The project was designed to create awareness of multimodal transport issues and to contribute to the elaboration of a harmonized Andean countries' shipping policy. The project included five deliveries of a workshop, the production of a videotape, and the elaboration of a post-graduate course all on the issue of multimodal transport. On shipping policy, the project prepared an analysis of the impact of shipping decisions being implemented in the subregion, for example liberalization of the economy, cargo reservation laws and privatization of services.

136. Finally, one of the most important projects carried out by the Shipping Division in the reporting period was the execution of the "Support to the Transport" component of three large-scale subregional transport projects in

Africa. This component deals with measures to increase the physical capacity of transport networks through the introduction of modern data management techniques which permit closer monitoring of cargo movements.

137. The central feature is the development of an Advance Cargo Information System (ACIS) which makes available to all transport operators information on cargo before such cargo reaches the interface between two transport modes. ACIS is designed to cover all transport modes - ports, rail, road and lakes/rivers. By the end of 1991, the following ACIS modules had been implemented:

- The UN/EDIFACT manifest transfer system had been installed in Dar es Salaam, and satellite transmission of manifests from Europe via INMARSAT was now operational.

- A Uniform System of Rail Statistics and Performance Indicators and a Uniform System of Port Statistics and Performance Indicators were both operational.

- The Harbour Master module which monitors all ship-related operations had been installed in Dar es Salaam, Mombasa and Abidjan.

- The Rail Tracker module was operational on seven railway networks (Malawi, Tazara in Tanzania, Zaïre, Cameroon, Senegal, Côte d'Ivoire and Mali), with four others (Ghana, Burkina Faso, Kenya and Uganda) in the process of implementation.

- The Rail Tracker Tutorial software package had been successfully used to train users in Malawi, Tanzania, Zaïre, Cameroon and Senegal.

- A Shippers Council Database had been installed in Douala, Cameroon.

138. To quantify, at this stage, the overall economic benefits which will result from the implementation of ACIS would not be possible. Nevertheless, an assessment mission carried out in 1991 concluded that:

> "ACIS will cost at least US$ 4.5 million by the end of December 1991. However, a preliminary cost/benefit model developed by the mission shows that with the one Rail Tracker module, potential new revenues of up to US$ 35 million annually for the Southern African countries are possible. In addition, savings of about US$ 3 million annually can be achieved through minimizing demurrage charges to other countries." 9/

Shipping, Ports and Multimodal Transport Management Training

139. Training of government officials, maritime administration and shipping company and port management is a prerequisite for the efficient development of merchant marine services, for the sound establishment of multimodal transport operations and the proper development and management of shipping companies, shipping agents, freight forwarders, port authorities, port operators and shippers' organizations. Surveys have shown that there is a very great need

for management training and human resource development in all occupational groups. This problem is being tackled by UNCTAD at three levels:

- Organization of policy seminars and workshops for senior managers and government officials;

- Help to developing countries in establishing and strengthening their own training capabilities for middle and junior levels of management through the TRAINMAR Programme;

- On-the-job training (JOBMAR).

(a) Policy seminars

140. Some 60 policy seminars in shipping, ports and multimodal transport were conducted by the Shipping Division in English, French and Spanish in the period under review. These were:

- Multimodal Transport Workshops, developed under the TRAINMAR Programme;

- Seminars on Container Terminal Development Policy and Equipment Maintenance, developed under the Improving Port Performance (IPP) Programme;

- A Strategic Planning Workshop for Senior Shipping Management (STRATSHIP);

- Container Terminal Management Seminars, developed jointly with Antwerp Port Engineering & Consulting (APEC).

(b) TRAINMAR

141. The TRAINMAR Programme was created in the early 1980s to respond in a cost-effective and innovatory manner to the large training demand that existed i developing countries for managers in shipping, ports and multimodal transport. The strategy consists of strengthening local training centres, training the trainers, and encouraging the centres to cooperate among themselves. Today there are 43 training centres participating in the TRAINMAR programme. They are organized within regional and subregional networks to facilitate mutual cooperation. The programme is managed by a Central Support Team based within the Shipping Division which provides pedagogical support, promotes extensions of the networks and seeks donor support for specific activities.

142. During the period under review, UNCTAD executed 13 interregional, regional and national TRAINMAR projects funded by a variety of donors. The funds have been used to help establish viable training centres in specific countries, for technical and pedagogic advice to all centres and for the travel of counterparts for training purposes. Although the ultimate objective is to have all centres financially and technically self-sufficient, project inputs have enabled standards to be improved and cooperation strengthened; continuation of such external support will be beneficial for some time to come. During the reporting period, the number of centres associated with the

programme has grown from 23 to 43 and a system of mutual support has been developed and organized around selected stronger centres so that cooperation can continue without the routine involvement of UNCTAD. The capacity of the network to deliver short courses has grown to reach approximately 6,000 persons per year; in addition, a start has been made on integrating short courses into a series of diploma studies.

(c) JOBMAR

143. The Shipping Division, in collaboration with the Centre for Maritime Cooperation, initiated in 1989 an on-the-job training programme named JOBMAR. Its objective is to transfer up-to-date management techniques to middle/senior managers in developing countries by providing them with the opportunity of working alongside counterparts in countries with a more advanced maritime transport sector. Experience is gained by being able to see how problems are dealt with under normal commercial pressure. By the end of 1991, some 30 candidates from developing countries had been placed, mostly with port authorities, shipping companies, industrial enterprises with in-house transport divisions and ship brokers. Assignments varied in length from one to three months.

G. Data Management

Management of customs (ASYCUDA)

144. The ASYCUDA programme is now the largest single technical cooperation programme in UNCTAD. Since 1981 UNCTAD has been engaged in the development and installation of a computerized system to facilitate Customs operations and to help developing countries collect and compile foreign trade data. The system was conceived to assist in bringing about a better management of Government finances through an institutional strengthening of Customs - which are for the most part the main source of public revenue in developing countries - and to provide reliable source of information on external trade. All ASYCUDA work is closely linked to that of FALPRO (see paras. 155 to 158).

145. The system is designed with the needs of developing countries in mind (i.e. easy to install and maintain, and less expensive to run than the systems adopted by industrialized countries). It was developed for microcomputers which could be operated within local area networks regardless of the adverse conditions prevailing in many developing countries, but it is now also available for bigger machines to suit countries with larger volumes of trade. ASYCUDA covers a wide range of Customs functions, including manifest control, goods declaration, accounting, warehouse management, examination and licensing. Over the period 1989-1991, assistance was provided to 50 countries through national projects in addition to five regional projects. Extensive training in English, French and Spanish was provided for both users and controllers of the system; 14 ASYCUDA training courses were organized in Africa, the Caribbean, Europe, Central America and South America.

146. In Africa assistance was provided to the ECOWAS Secretariat under a subregional project. A regional computer centre aimed at providing management support, organizing training sessions, centralizing regional statistics and improving communications among countries of the subregion was established in

Lome, with support from the French Government and the EEC. Projects for the installation of ASYCUDA software were carried out in 19 countries: Benin, Burkina Faso, Burundi, Central African Republic, Cape Verde, Comoros, Ghana, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Rwanda, Sao Tome and Principe, Sudan, Togo, Zaire and Zimbabwe. Two preparatory projects were signed with the Governments of the Gambia and Nigeria. Demonstrations and programming missions were undertaken in Botswana, Chad, Mozambique, and Sierra Leone; projects in these countries are being negotiated with donors. At the regional level discussions were held with the PTA and ECCAS secretariats for the creation of new regional centres.

147. In the Caribbean two regional projects were being implemented for the installation of ASYCUDA. One project was located in OECS for its Member States (Anguilla, Antigua, British Virgin Islands, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia and St. Vincent) and the other in Barbados, covering Trinidad and Tobago, Belize, Turks and Caicos Islands, Cayman Islands, Aruba, Netherlands Antilles and Guyana. National projects have been signed with the Governments of Barbados, Aruba and Netherlands Antilles and support activities were continued for Haiti.

148. In Central and Latin America a subregional project became operational in June 1989. It serves the SIECA grouping and aims at harmonizing Customs procedures and documentation among the States members of SIECA and at creating a trade statistics database at the subregional level; it also provides training support to national projects in El Salvador, Guatamala, Honduras, Nicaragua and Panama. At the national level, activities continued for the installation of ASYCUDA in Colombia. Demonstrations and programming missions were undertaken in Paraguay, Peru and Venezuela.

149. In Asia and the Pacific region the UNDP-financed regional project came into operation during 1990, based in Kuala Lumpur and serving the whole region. The project aims at preparing national projects upon the Government's request; coordinating, as appropriate, statistical data requirements at regional and subregional levels; monitoring the implementation of national projects; and creating project management functions to cater for training, for maintenance of the software and for any required common statistical service. National projects for the installation of ASYCUDA software have started in Bangladesh, Maldives, Papua New Guinea, Sri Lanka and Viet Nam. Projects are under consideration in Brunei, Cook Islands, Mongolia, Myanmar, Solomon Islands, Tonga and Vuanatu. A preparatory assistance project is underway in Pakistan. Demonstrations and/or programming missions were undertaken in the above countries as well as Malaysia, Thailand, Indonesia, Australia, New Zealand, Philippines, Myanmar, Laos and Fiji.

150. In Central and Eastern Europe a national project in Romania started in 1991. Demonstration and programming missions were undertaken, some in 1992, in Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Estonia, Latvia and Lithuania.

151. Demonstration and programming missions were also undertaken in Iran, Islamic Republic of, Syria and Jordan where project proposals were currently under discussion.

152. As regards software development, further progress has been made in strengthening the system, expanding its features and preparing for future extension. Over the period under review, UNCTAD has developed and released to user countries five successive ASYCUDA versions. Main improvements included a significant decrease of computer response time, the introduction of the UNIX operating system, and the introduction of a pre-payment system for duties and taxes payable on declarations. In addition, a feasability study was prepared to redesign the system and to include new functions, such as those related to selectivity, port/trade functions and the production of transport statistics.

153. In 1989 an evaluation of the Mauritania installation was undertaken; in May 1991, a joint evaluation mission composed of representatives from Customs Cooperation Council (CCC), Denmark, France and Switzerland took place in Mauritius. Evaluation findings were positive. In the case of the latter mission, for example, the mission found that the time necessary for goods clearance had decreased significantly; customs procedures were more efficient; the system had the full support of customs officers; Government decisions were made on the basis of up-to-date and error-free information; and relations between the Government and the private sector had improved markedly. In those countries where the system had been implemented, a complete reform of Customs administrations had occurred. As a result, economic performance as a whole had improved: better goods-clearance conditions and more rapid delivery deadlines have helped to boost foreign trade; and most user countries now benefit from reliable trade statistics generally available within a few days of the reporting month.

154. ASYCUDA is supported by a large number of bilateral and multilateral donors, and has the support of the directly concerned international organizations including the CCC, the IMF and the World Bank. Two donor meetings were organized, in 1990 and in 1991, to review developments and to discuss future plans.

Trade Facilitation (FALPRO)

155. The trade facilitation work carried out by UNCTAD is done in response to the fact that about 10 per cent of the value for goods in international trade is represented by the cost of paperwork, cumbersome procedures and delays at all stages of transactions. Not only are consignments delayed by licenses, permits, inspection and other formalities of authorities, but the traders themselves may also be inefficient in the sense that they are using manual and time-consuming systems. The Trade Facilitation Programme therefore aims at reducing the costs and delays through the simplification and modernization of formalities, procedures and documents used in international trade and transport. This includes, in particular, introduction of international standards and modern methods of data processing and communication.

156. Work on trade facilitation often starts by convening a national workshop to create awareness of the problems and to provide traders with information on how much can be saved in time and in money. Experience shows that the most direct way forward is to establish a national trade facilitation committee where representatives from all parties involved in the transactions, i.e. traders, trade organizations, banks, insurance companies, customs and transport agencies, etc. can make proposals to improve the trading environment.

Hence, such committees are a permanent feature of trade facilitation projects, which also ensures that the activities can be continued as an ongoing process in the country.

157. Two UNDP projects have been executed by UNCTAD in the ASEAN subregion, where the six member States have received technical assistance in two broad areas, namely, Training and Development of Customs Administrations and Facilitation of Procedures and Documents in the Trade Sector. The first project has trained about 250 representatives from government agencies and private companies on such subjects as: costs of documents and procedures, simplification of international trade procedures; aligning documents using the United Nations lay-out key; and computerization and EDI/EDIFACT. Valuable results have been obtained through the second project regarding implementation of the Harmonized Commodity Description and Coding System (HS), now in use in the six ASEAN member States. The project also started work on developing an ASEAN Harmonized Nomenclature, being a prerequisite for negotiations related to the current efforts to set up the ASEAN Free Trade Agreement, due to become operational on 1 January 1993. Extensive work, including training, has been done on implementation of the GATT Valuation Agreement and simplification and harmonization of customs procedures.

158. The Facilitation Programme has also backstopped trade facilitation components included in projects executed by other divisions or agencies, e.g. transit traffic and support to the transport sector projects in Africa (see paras. 118 to 121). Finally extensive support and assistance is provided for the ASYCUDA projects, where trade facilitation work is now an integral part of the projects, in order that old-fashioned and costly procedures are modernized prior to the computerization.

Trade Control Measures

159. Trade is deeply affected by national trade laws, regulations and administrative procedures. Considerable skill is needed to manage large amounts of complex data on trade barriers so as to formulate sound export strategies. Trade Control Measures (TCMs) comprise those that, either in practice or potentially, affect international trade flows, whether because of the basic nature of these measures or because of the way they are applied. For a number of years, with financial support from UNDP, the UNCTAD secretariat has been collecting TCM information from its member States. The coverage and quality of this information have been gradually improved and the data for over 100 countries have been computerized.

160. The broad objective of the development of the database and its corresponding dissemination tools was to increase transparency in international trading conditions and thus facilitate trade. The database has also been utilized for the following more specific purposes: analysis of development in national trade policies; preparation of reference materials for trade negotiations; analysis of the conditions of access to external markets for export promotion; and research on trade policies. The main activities carried out during the reporting period include, inter alia: establishment of UNCTAD Coding System of Trade Control Measures; consolidation of UNCTAD Database on Trade Control Measures and maintenance thereof; preparation of a Statistical Analysis of Trade Control Measures of Developing Countries as

supplement to the Handbook of Trade Control Measures of Developing Countries (UNCTAD/DDM/Misc.2); development of CCCN-based UNCTAD Micro-TCM System; preparation of supporting documentation for the UNCTAD Micro-TCM System (UNCTAD/DDM/Misc.26); development of HS-based Trade Analysis and Information System (TRAINS); preparation of a Users' Manual for TRAINS (UNCTAD/DDM/3); preparation of the Directory of Import Regimes (UNCTAD/DDM/2); and dissemination of information from the Database.

161. For dissemination purposes, the UNCTAD secretariat has invited member States to designate a focal point who will be supplied with TCM information. For requests from other interested parties, particularly those from private sector, a Trust Fund has been created to which voluntary contributions may be channelled for this purpose.

162. Several countries have benefited from all this information in their negotiations with the European Economic Community (EEC) and the United States of America. The information has also been used to support trade negotiations within regional integration groupings such as the Bangkok Agreement, the Preferential Trade Area of Eastern and Southern African States, and the Organization of the Islamic Conference, or at the global level, for the Global System of Trade Preferences (GSTP) and for the Uruguay Round (i.e. SMART, see paras. 33-35). Governments have been provided with systematic information on access conditions to foreign markets, in order to study whether certain trade measures applied by trading partners constitute an effective obstacle to their exports so that these concerns might be taken up in multilateral trade negotiations. The following international organizations from the United Nations system have drawn upon the information contained in the Database: ECE, ECLAC, ESCAP, ESCWA, FAO, GATT, IMF, ITC, ITTO, UNDP, UNFDAC, UNICEF, UNIDO and the World Bank. Many researchers from other international organizations, inter alia, EEC and OECD, as well as universities and research institutions have relied on the Database in their work on trade barriers.

163. UNCTAD seeks to collaborate closely on all of the above activities with the ITC through a memorandum of understanding agreed recently by both organizations. The two organizations have cooperated, for example, on the installation of a trade information network for the PTA member States, for use by economic operators engaged in export promotion activities.

164. UNCTAD seeks close cooperation with several other organizations, particularly regional groupings. At present, the ALADI and JUNAC secretariats have signed memoranda of understandings for this purpose; CARICOM is studying the signature of a formal agreement; ECLAC has also agreed to collaborate. A cooperation agreement was also reached recently with the International Customs Tariffs Bureau (ICTB), which will provide national tariff descriptions of products in English, French and Spanish.

165. With the development of TRAINS, a new stage has been reached in the usefulness of UNCTAD's Database on TCMs. TRAINS allows effective and widespread dissemination of information. TRAINS is a system that renders compatible the presentation and analysis of five different databases. It integrates UNCTAD's TCM System, including trade values, with its GSP System, the system of ITCB and the IMPORTERS database of the ITC. It is intended mainly for use by policy-makers and economic operators engaged in exporting.

The further development of TRAINS will include a component on trade and the environment (GREEN TRADE). With these improvements, TRAINS will be an even more powerful tool for trade negotiations and for general research on international trade.

H. Cross-sectoral and other activities

Training and human resources development

166. Training and HRD activities constitute an important part of UNCTAD technical cooperation. A total of 127 seminars and workshops were organized in 1990 and 99 in 1991 for a total of nearly 9,000 participants.

167. In the three years under review, UNCTAD completed the implementation of the UNDP-financed project "Enhancement of Administrative, Economic and Financial Skills on EEC Matters" carried out with the Government of Turkey. The aim of this project was to provide training to Turkish officials on various aspects of EEC policies and procedures. Training was given to 130 Turkish civil servants in the nine seminars organized in several European training institutions in France, Italy, the Netherlands, Spain and Switzerland.

168. In 1989, UNCTAD initiated TRAINFORTRADE, a new programme aiming at strengthening the human resources of developing countries in the field of foreign trade and trade-related services. Project activities are carried out jointly with ITC and are supported by UNDP, the Commission of the European Communities and the Governments of France, Italy, Luxembourg and Switzerland. It consists of the development of a network of highly qualified training institutions (the TRAINFORTRADE "Centres"); the application of a common methodology and the training of trainers; the design, production and dissemination of high quality training packages meeting the needs of foreign trade policy-makers and managers from both the private and public sectors; and the organization of national and regional seminars and training courses by the centres.

169. During the pilot phase of the project from 1990 to the end of 1992, five training packages have been and are being developed, on "Trade with EC Single Market Countries after 1992"; "Commodities Commercialization: Policies and Use of Future Markets for Cotton, Coffee, Cocoa, Sugar and Palm Oil"; "Competition Policies"; "National Trade Policies" and "Trade and Environment". The network is now starting to operate in Central America with the financial support of the Commission of the European Community; the TRAINFORTRADE network will be extended to Asia and Africa with the support of UNDP and the Governments of France, Italy and Luxembourg. At the end of the pilot phase, the following outputs are expected: (i) an overall study describing the training needs of the main jobs and functions of the trade and trade-related services sectors of developing countries and a proposal for a training scheme and implementation plan for the main categories of trade practitioners; (ii) six training institutions associated with the programme; (iii) 15 course developers, 15 training managers and 20 course leaders prepared and ready to contribute to the network activities; (iv) seven packages completed; (v) 10 adaptations of the existing packages ready in

English, French and Spanish; and (vi) several hundreds of trade practitioners from the private and public sectors trained in one or other of the TRAINFORTRADE courses.

Other activities

170. During 1989 and 1990, UNCTAD assisted the Government of Turkey in preparing an analytical framework accompanied by a computer software model to analyse the impact of possible Turkish membership in the European Community on the development of the country's agricultural sector. The project, which was financed by UNDP, paid particular attention to the implications for Turkey of the EC Common Agricultural Policy.

171. Under a UNDP-financed project in Zambia, UNCTAD assisted the Prices and Incomes Commission of the Government of Zambia in strengthening its prices and incomes monetary systems. The project conducted a comprehensive rural and urban household-expenditure survey which, inter alia, helped to evaluate the impact of structural adjustment policies on different social groups. The project was exceptionally useful at a critical time in Zambia's economic development.

172. UNCTAD's technical cooperation programme is supported by non-project specific funds made available by UNDP (through its sectoral support programme) and through the regular programme of technical cooperation of the United Nations programme budget. Sectoral support is provided by UNDP to UNCTAD (and to other organizations without field representation) to enable the organization concerned to provide short-term policy and technical advice to Governments and to UNDP resident representatives in determining the content of technical cooperation programmes, whether financed by UNDP or by other sources. Missions in the areas of shipping, ports and multimodal transport, as well as in the fields of international trade, least developed countries and economic cooperation, were carried out during 1989-1991 in response to requests from developing countries for assistance in identifying problems in these various sectors and to help them delineate pertinent project proposals. Sectoral support was also utilized to demonstrate to interested countries UNCTAD's various software programmes, including ASYCUDA, DMFAS and SMART, and to prepare projects for submission to UNDP or to other donors. The development of UNCTAD's new programme on TRAINFORTRADE was made possible through the sectoral support programme.

173. Under the Section 24 of the United Nations Programme Budget for technical cooperation, UNCTAD received an allotment equivalent to about 36 work-months for each year of the biennia 1988-1989 and 1990-1991 for the purposes of interregional advisory services. In 1988, these resources were deployed in part in the programme area of economic cooperation among developing countries and in part for the development of UNCTAD's programme of technical cooperation as a whole. A number of advisory missions were carried out and technical assistance provided to Governments and regional organizations regarding technical cooperation in the area of ECDC and international trade. UNCTAD also participated in the UN/USSR programme of technical cooperation under the same section of the programme budget: specific projects so financed have been described in preceding sections under the relevant substantive programmes.

III. ISSUES AND DEVELOPMENTS IN UNCTAD'S TECHNICAL COOPERATION PROGRAMME

A. UNCTAD's approach to technical cooperation

174. UNCTAD is not primarily a technical cooperation agency. Yet technical cooperation constitutes an essential element of UNCTAD's work. Research and preparations for intergovernmental deliberations are enriched and made more relevant by feedback from the field as a result of technical cooperation activities. At the same time, technical cooperation from UNCTAD enables developing countries to participate more effectively in intergovernmental deliberations - whether these take place within UNCTAD or other forums; it also assists them to benefit from and implement measures for enhancing international economic relations that have been adopted in their favour. Consequently, UNCTAD's technical cooperation programme, financed essentially from extra-budgetary resources, is closely linked with, and increasingly integrated into, its regular work programme.

175. Consensus on the wisdom of this approach was most recently reaffirmed, at the Cartagena Conference, where it was agreed that UNCTAD's technical cooperation should be:

> "strengthened, expanded with the resources available and integrated into all relevant areas of UNCTAD's work, taking into account the need for effective interaction among the main functions of UNCTAD and the need for continued effective coordination with other technical cooperation agencies of the United Nations system. It is a component of a comprehensive development approach to support domestic efforts in UNCTAD's fields of competence and to strengthen the capacity of countries to manage their own development process, as well as to be both full participants in, and beneficiaries of, international deliberations in these areas".

176. The Conference went on to recommend that: "developing countries, in the context of their national priorities, should arrange for adequate provision to be made for technical cooperation as regards trade and development in the context of UNDP country and intercountry programmes and in programmes financed by bilateral and other multilateral donors".

177. In Part IV of the Cartagena Commitment, on "Policies and Measures", there are a number of references, to the need for technical cooperation, including paragraphs 43, 122, 155 and 214 (covering several points related to sustainable development/environmental/trade); paragraph 148 (competition policy); paragraph 160 (trade efficiency); paragraph 163 (covering many activities in the area of trade including trade policy, assistance to countries preparing for the GATT Trade Policy Review Mechanism, training and human resources development and assessment and implementation of the results of the Uruguay Round); 176 (c) (on technology transfer, including environmentally-sound technologies); paragraph 185 (k) and (l) (on services); paragraph 188 (on maritime transport); paragraph 211 (on commodities); and 213 (on assistance in the area of commodity futures markets).

178. In the light of the Cartagena Commitment, the secretariat will be reviewing the pipeline of proposals in order to ensure their relevance to the

new programmes of work and will seek to mobilize additional sources of funds to build on the results of the Conference. This would include an increased capability to respond to requests for assistance from countries with economies in transition in central and eastern Europe and the CIS. A certain amount of work is already being undertaken on the basis of additional resources provided for this purpose. Any significant expansion in such work will of course depend on the interests of the countries themselves and on the availability of funds from multilateral and bilateral sources.

179. The secretariat has sought to publicize the range of services that can be provided through technical cooperation to interested developing countries. In addition to the brochure on "Technical Co-operation for Trade and Development" that has been widely distributed, leaflets and specific material on individual programmes have been prepared and disseminated. As a result, there is a better appreciation of UNCTAD's capacities for technical cooperation.

B. Particular features of the overall programme

180. The principal objective of UNCTAD's technical cooperation is to develop human resources and strengthen the institutions and capacities of developing countries to increase their ability to react swiftly to changes occurring in the world economy, to address strategic issues affecting international economic relations and to generate increased flows of trade. Thus, in linking UNCTAD's technical cooperation efforts to its normative and analytical work, the secretariat seeks to exploit its comparative advantage in four areas:

- Helping developing countries prepare for, and apply the results of, intergovernmental negotiations on international economic issues;

- Offering technical policy advice on domestic and international economic problems;

- Facilitating access to UNCTAD's data banks; and

- Providing UNCTAD's software programmes, with attendant advice on institutional reform and training.

181. This report presents an opportunity to highlight three aspects of the current programme that are likely to gain in importance in the next few years. First, there is the increased attention given to country work, including policy advice and national studies; secondly, an emphasis on capacity-building in developing countries, at both the country and the intercountry level, through the dissemination of software programmes as aids to managers/decision-makers in user countries and through the expansion of training and human resource development programmes; and thirdly, the launching of comprehensive trade policy/trade development projects at both national and regional levels.

Country analysis and studies

182. For a growing number of technical cooperation projects, at both the interregional and regional level, the secretariat is undertaking studies on specific national problems and issues, in cooperation with the competent

national institutions and the Governments concerned. In addition, several projects include analyses of problems common to a specific group of countries. This approach also provides the basis for cross-country comparisons of experience and the exchange of information among interested countries on shared problems. In this way, the technical cooperation programme helps to shed light on long-standing development problems as well as to identify emerging concerns.

183. While earlier sections of this report have described a number of projects in which this approach is inherent, a summary of the titles of the topics covered by such projects gives some idea of their range:

- Country studies on trade policy reform; on export diversification; on the development of the service sector; on bilateral and multilateral trade negotiations; on the development of trade and economic cooperation with neighbouring countries and/or with developed countries; on the transfer and adaptation of technology;

- Country and multi-country studies on the development of the minerals sector; on commodity processing, diversification and marketing; on the procurement of food imports; on the relationship between trade and the environment;

- Studies on the application of agreed arrangements for the rescheduling of official debt, and of ways and means to reduce the stock of external debt applicable to individual debtors; country studies on the mobilization of domestic resources; and

- Country and multi-country studies on shipping and transport matters, e.g. application of new multi-modal transport technologies; on shipping policies; on corridor transit arrangements; and on trade facilitation.

184. Many of these studies, in addition to their prime purpose of helping the beneficiary country solve a specific problem, also provide the secretariat with valuable insights into their regular analytical work, particularly as internal arrangements for the management of technical cooperation in the secretariat require each project to be backstopped by the substantive programme directly concerned.

Support for capacity-building in developing countries

185. Pursuant to the guidance of the United Nations General Asssembly 10/ and in accordance with UNDP policies, multilateral technical cooperation is increasingly focused on strengthening national capacities in developing countries. UNCTAD's response through its technical cooperation programme, emphasizes the development of human resources and the strengthening of national institutions. Specifically, UNCTAD seeks to facilitate access to policy advice, information and software packages; to promote the use of national research, advisory and consultancy services; and to stimulate networking arrangements at national and regional levels.

186. Experience in recent years with the development and dissemination of software packages and data banks has been positive. Examples of software packages include SMART (see paras. 33 to 35), DMFAS (see paras. 70 to 74), ACIS (see paras. 136 to 138), and ASYCUDA (see paras. 144 to 154). Examples of data banks include MICAS (see para. 90) and TRAINS (see para. 160).

187. The rationale for the development of such standardized management and information systems using modern information technology is fourfold. First, there is the need, in accordance with relevant intergovernmental decisions, to disseminate in a cost-effective manner information to interested users on trade and development available in the secretariat. Secondly, international standardization facilitates cooperation among countries using the same sources of information and format. Thirdly, the software provides an extremely effective way of ensuring that developing countries have speedy access to new internationally agreed standards or norms. Last, but by no means least, as the development costs of such software is spread over several countries, economies-of-scale are considerable: such software can be provided to each country at a fraction of the cost of a tailor-made system.

188. UNCTAD thus intends to build on its successful experience with technical cooperation programmes that embody management information systems. Developing countries clearly appreciate having at hand direct access to computerized systems which are useful for policy and technical decision-making. Returns on investment in such technical cooperation projects are probably higher than for the more "conventional" forms of technical cooperation.

189. An internal review of UNCTAD computer systems, including those disseminated to developing countries as part of the technical cooperation programme, concluded that such systems had provided a useful service to member States. The review recommended that efforts in this direction should be continued. However, there was an urgent need to generate adequate resources for development and above all for maintenance of computerized systems.

190. Continued development of software programmes will require increased support for central activities, whether for the development of software, the maintenance and updating of data banks and the backstopping of a growing number of country and regional technical cooperation projects. Some of these requirements may be met through bilateral sources that have been most supportive in the past. The secretariat is also investigating whether dissemination of information from the data banks could be allowed on an increasingly commercial basis, at least for those in a position to pay. Other requirements may need to come from the deployment or redeployment of programme budget resources, especially for the maintenance and updating of the sources of information.

191. A sharpening of programmes for training and human resources development is another significant way for UNCTAD's technical cooperation programmes to support capacity-building in developing countries. The main focus for this effort will be on continuation of the TRAINMAR programme and the development of the TRAINFORTRADE programme (see paras. 168 and 169), which will be gradually extended to cover an increasing proportion of UNCTAD's activities supplemented by essential ad hoc training events on specific subjects.

Comprehensive trade policy/trade development projects

192. Hitherto, UNCTAD technical cooperation projects for the expansion of trade have tended to be rather small and discrete. In addition, UNCTAD's mandate requires that it focus essentially on policy, without having a direct impact on follow-up operational matters. Experience has shown that advice on policy matters and technical cooperation for the expansion of trade need to be coordinated.

193. UNDP is introducing, at the behest of the General Assembly, a "programme approach" to the formulation and implementation of operational activities, whereby specific project activities encompass the host of policy, technical, and administrative factors critical to project effectiveness. Such an approach should have an immediate application in the area of trade: success in exporting, or importing, requires complementary actions in a variety of areas dealing with both domestic and external factors. For this reason, the secretariat is seeking to apply this approach to trade-related projects at the country and regional level. In paragraph 163 of the Cartagena Commitment, UNCTAD was called on to "strengthen its technical cooperation activities in the area of trade with the objective of strengthening national capacities for trade and development, enhancing the participation of developing countries in the international trading system, and promoting the trade of developing countries, taking into account the activities of other organizations".

194. The success of this approach at the country level implies effective cooperation between UNCTAD and ITC: as UNCTAD's mandate deals essentially with policy and broad development matters, and as ITC concentrates on export promotion, the synergy is evident. Policy advice without operational content is only partly useful; promotional work, however valuable in itself, is likely to be much more effective when undertaken in the appropriate policy framework. Thus, UNCTAD is seeking to deepen its cooperation with ITC in these matters, as noted in paragraph 220 below.

195. New projects in the trade sector at the regional level, which will have as their main objectives national capacity-building, will cover such matters as advice on new economic policies of liberalization and reform, effective participation of developing countries in the international trading system, development of the service sectors, dissemination of information on market access and preferential arrangements, and environmental aspects of trade. Such projects will require extensive arrangements for collaboration with national authorities and other regional organizations. Funding is being sought from UNDP and other donors in a multi-donor/agency effort. Projects for Latin America and the Caribbean ("LATINTRADE") and for Asia and the Pacific ("APTRADE") are in advanced stages of preparation. A similiar project for Africa ("AFRICATRADE") will be presented to UNDP and other donors when UNDP has clarified the financial situation of the Africa regional programme. Activities covered by the UNDP Regional Bureau for Arab States will be based on a recently concluded joint UNDP/UNCTAD/ITC programming mission to identify specific regionally-based activities for the expansion of Arab trade.

C. Issues relating to project design, implementation and evaluation of projects, including internal methods of work

Improving the relevance and quality of technical cooperation

196. The present UNCTAD technical cooperation programme represents an array of requests, requirements and initiatives emanating from a variety of different sources. These include: (a) expressions of interest or requests from relevant institutions in developing countries, sometimes as a result of needs assessments and programming exercises undertaken by UNCTAD; (b) guidelines adopted by the UNCTAD intergovernmental machinery; (c) broad orientations set out by UNDP, or bilateral or other multilateral donors as regards assistance programmes; and (d) secretariat initiatives that anticipate prospective needs of developing countries in a rapidly changing environment.

197. Internally, several criteria are applied when considering proposals for technical cooperation, namely such questions as:

- Does UNCTAD have the mandate and technical competence to deal with the issue at hand?

- Do those in the secretariat with such competence have the capacity (in terms of time and resources) to support the proposed technical cooperation activity? In what way would the proposed activity draw on and contribute to UNCTAD's regular work?

- Are the necessary resources likely to be made available, both for the project itself and to support the necessary backstopping by the secretariat?

198. Proposals and requests for which UNCTAD has neither expertise nor capacity are channelled to other organizations in a position to respond.

199. Individual projects are as far as possible grouped around specific themes, corresponding as a rule to the structure of the secretariat. This approach is designed in part to ensure a direct link between the regular work of the secretariat and related operational activities. The approach also makes full use of available management capacities, achieves economies of scale in the delivery of project inputs and, above all, facilitates an exchange of information and experience among those countries cooperating with UNCTAD in a given subject area. Thus, for example, many of UNCTAD's programmes promote technical cooperation among developing countries as a natural activity.

200. Projects, particularly at the national and regional levels, are designed by UNCTAD in close cooperation with the beneficiary Government or institution and are subject to internal clearance before submission to UNDP or other sources of finance. This includes consultations with different parts of the secretariat on new projects, thus ensuring synergies and cross fertilization among separate activities. At the design stage, there is often feedback from UNDP and other donors, thus helping to improve their quality.

201. There are relatively few long-term international experts deployed on UNCTAD-executed projects in developing countries. The trend towards

short-term highly qualified expertise is probably the best general response to the needs of developing countries for policy and technical advice in UNCTAD's areas of competence. In the case of least developed countries, however, there may be a continued need for longer-term technical advice. Long-term experts deployed at UNCTAD itself perform key functions of a managerial and technical nature essential for the successful implementation of projects.

202. Measures under way to provide skilled international expertise in a cost-effective manner include the following:

- Greater recourse to associate experts and similiar rosters. The associate expert programme, thanks to the efforts of several bilateral donors, has been a remarkably successful programme: young and motivated, the experts make a significant contribution to several of UNCTAD's technical cooperation activities. Some use is also being made of the United Nations Volunteer Programme which can attract well-qualified staff from all countries, and particularly from developing countries, for assignment in other developing countries.

- As far as possible, UNCTAD also seeks to draw upon expertise and capacities in developing countries. One example is the use of national institutions to undertake certain specific studies; another is the recourse to national project professional personnel to strengthen the sustainability of project results; a third example is the use of the networking approach inherent in such programmes as TRAINMAR and TRAINFORTRADE that seek to encourage cooperation among training institutions in the preparation of course material and in the delivery of courses.

- The UNCTAD consultants and experts roster has been revised and updated. There is now wider geographical and nationality distribution, although the number of women consultants (and candidates) remains low.

Monitoring and evaluation of projects

203. As regards UNDP projects, UNCTAD observes the policies and procedures for project monitoring and evaluation established by UNDP. This involves regular progress reports and tripartite reviews and, depending on the particular project, independent evaluations. UNCTAD utilizes the same procedures, mutatis mutandis, for reporting to Trust Fund donors.

204. Regular financial and progress reports are provided to UNDP and other donors on the implementation of projects. Steering Committees organized and convened by UNDP oversee several large projects. 11/ Such Steering Committees are particulary useful in bringing together the main actors involved in the project concerned to review project activities and to agree on subsequent work programmes and priorities.

205. During the reporting period, some 20 mid-term and final evaluations were conducted, some with UNCTAD participation and some on a fully independent basis; two thematic evaluations (on technical cooperation activities in the

areas of maritime and multi-modal transport and the GSP) were carried out by UNCTAD itself (see TD/B/WP/77). All these various reviews and evaluations have led to a number of very useful recommendations being made for either future activities in the same area of work or, more generally, for improvements to UNCTAD's technical cooperation. The Working Party will have before it, at its present session, a review and assessment of UNCTAD's evaluation activities covering the evaluations of both substantive and technical cooperation activities.

206. As reflected in TD/B/WP/77, internal and external evaluation studies of UNCTAD technical cooperation projects have been positive in terms of many aspects of that cooperation; at the same time, the studies have provided useful lessons and recommended measures that would further improve the effectiveness of on-going or new projects. The lessons learned and the related recommendations are summarized below.

207. Design and implementation of projects. The design of projects could be improved by rigorous analysis of the relevant and specific technical cooperation requirements of individual and groups of developing countries in accordance with national development strategies. Project effectiveness would benefit from a careful review, jointly with the host country, of the commitment of the beneficary institution in terms of staff and resources at different stages of the project cycle. In line with UNCTAD's approach to technical cooperation, the design of projects should include a much more thorough analysis of how the proposed project would incorporate UNCTAD's specific technical contribution and how the organization would draw on the results of the project for its regular work.

208. The evaluation studies also point to the need to ensure the timely delivery of project inputs and activities within realistically defined time-frames for project implementation, for which action is required by all parties to the project. Some studies have also mentioned the need to select international experts with particular knowledge of the economic and social situation and culture of the country or region. The need for project performance indicators as part of good project design and implementation has also been highlighted: these indicators may include, depending on the project, inter alia, the proportion of project objectives achieved; the number of people trained or institutions established; the quality of the training course (as reflected in the participants' own evaluations, the number of deliveries and specific adaptation, user fees charged, etc.); and degree of self-financing, national support and prospects for self-sustainability.

209. Contribution to the building of national capacities. The activities in this important area - skills, information and institution building - will need to be improved through:

- Better identification of local needs and national focal points and fuller utilization of local expertise (in universities, research institutes, national administrations, etc.) in relation to such activities with a view to improving interactions among the local parties concerned, enhancing sustainability of project activities and facilitating TCDC;

- More systematic activities in the area of training or skills formation, paying particular attention to the selection of candidates, the strengthening of local training capacity and the updating/adaptation of training material in response to local needs;

- Improved dissemination of UNCTAD information systems and software packages, through the designation of an efficient, well-trained and motivated national focal point; locally-sourced hardware with an adequate maintenance contract; and appropriate arrangements, including good communication facilities with UNCTAD and elsewhere for the updating of data;

- The strengthening of national capacities for analyses of trade policy reform and for international trade negotiations with a view to ensuring that developing countries can exploit new commercial opportunities and participate fully in multilateral and regional trade negotiations.

210. Post-project follow-up. Such follow-up is important in order to assess the impact of project activities and to help ensure their sustainability. Measures for this purpose include the establishment of a data base of trainees and of procedures (e.g. post-training surveys) to monitor the impact of training on career development and operational performance; the monitoring of the cost of training over time as local training capacity is developed and used; and the monitoring of the implementation of the results of technical cooperation projects after their completion.

211. It should be noted that many of the lessons learned and the related recommendations are equally applicable to other United Nations organizations undertaking technical cooperation, and which require for their application consultations with the other parties in the tripartite system of technical cooperation. UNCTAD pursues such issues in the UNDP-convened Inter-Agency Working Group on Evaluation. To the extent that resources permit, specific recommendations are put into effect, for example as described above regarding support for capacity-building (paras. 185 to 191).

212. UNCTAD's record on delivery, as measured in the conventional way of actual expenditures against approved budgets was satisfactory, at around 75 per cent, over the reporting period. A qualitative judgement is more difficult, however. On the basis of the various evaluation studies carried out over the past few years (see above and TD/B/WP/77), there is considerable evidence that in specific areas of UNCTAD's work, developing countries and institutions have benefited in many ways. In light of the expansion, there is need for a more comprehensive look at the programme as a whole and its achievements.

213. Finally, it may be helpful to recall that full information on relevant technical cooperation activities is provided on a regular basis to the main Committees of the Trade and Development Board. This arrangement, often in the context of discussions on the relevant work programme, provides a good opportunity for ensuring that the priorities of the Committees, the work programme of the secretariat and operational activities are all mutually supportive and reinforcing.

Internal methods of work

214. Previous reports (TD/B/WP/58, paras. 169-173 and TD/B/WP/68, paras. 32-33) provided information on the internal secretariat arrangements for the management of technical cooperation established in mid-1988. Those reports also contained information on the development of the project management information system and on other measures designed to improve the efficiency of the secretariat. The main thrust of all the new arrangements was to promote the integration of technical cooperation in the work of the substantive programmes and divisions, improve overall policy coordination, strengthen relations with other organizations and streamline administrative arrangements.

215. Working arrangements have been kept under continuous review. The Secretariat Task Force on Technical Cooperation has been replaced by more flexible arrangements involving close working relations between the Joint Technical Cooperation Unit and the technical cooperation focal points and/or key officials in the various Programmes/Divisions. In practice, numerous informal inter-unit consultations take place around specific themes, programmes or projects. Further, the Operations Unit now reports to the Director, PSMS, through the Chief, Joint Technical Cooperation Unit.

216. An internal newsletter has been issued at frequent intervals since 1990 to provide information, inter alia, on current developments in UNCTAD's technical cooperation.

217. The present arrangements and methods of work are considered to be working reasonably well and in a flexible manner. Although improvements, for instance in the database on technical cooperation, are still desirable, no major institutional changes regarding the management of technical cooperation are envisaged at this time. The review of the implications of UNCTAD VIII in terms of specific work programmes had not been completed at the time of preparing the present report (end May). However, the integration of technical cooperation into relevant areas of UNCTAD's work and the need to bring together directly related projects into a manageable number of effective programmes is being addressed in the review of the organization of the UNCTAD secretariat in light of UNCTAD VIII.

D. Cooperation with other organizations of the United Nations system

218. Given the broad spectrum covered by UNCTAD's technical cooperation activities, cooperation and interaction with other agencies of the United Nations system, including the regional commissions, is extensive. Many of these contacts and exchanges are informal; only some of the more formal arrangements are noted below.

219. Relations with UNDP, as the main funder of UNCTAD's technical cooperation, are particularly close - both with headquarters and in the field, where UNDP Resident Representatives act as representatives of UNCTAD, which has no separate regional or country representation. UNCTAD officials have attended all the regional meetings of Resident Representatives (often held jointly with Government representatives and those of inter-governmental organizations) particularly during the preparatory process for the Fifth Programming Cycle (1992-1996). UNCTAD regularly participates in inter-agency meetings

convened by UNDP. UNDP Resident Representatives continue to visit UNCTAD on a regular basis to discuss current activities and future programmes.

220. The International Trade Centre (UNCTAD/GATT) undertakes technical cooperation activities in many areas, closely related to UNCTAD's. Apart from formal meetings such as participation in ITC's annual Joint Advisory Group (JAG) and Technical Committee, UNCTAD and ITC have maintained constant communication regarding a number of areas where activities are complementary. Whenever appropriate, joint programming missions have been undertaken (e.g. in Arab States, Indonesia, the Islamic Republic of Iran, Nigeria and Syria). On other occasions, missions to the field are briefed and/or debriefed jointly. Specific areas where UNCTAD and ITC have cooperated include the development of the TRAINFORTRADE programme, trade information, and projects involving both trade promotion and trade policies.

221. UNCTAD continued to work closely with the regional commissions. UNCTAD officials participated in the ministerial meetings of the regional commissions where technical cooperation programmes have been among the issues discussed. A number of joint projects - particularly in the area of trade and transport - have been executed with ESCAP, ECLA and ECLAC. One particular area of fruitful cooperation concerns the Transport and Communication Decades in Africa and Asia, where ECA and ESCAP, respectively, have been designated as lead agencies. In the case of the Second Transport and Communication Decade for Africa (UNCTACD II), UNCTAD chaired the sub-sectoral Working Group on Maritime and Multimodal Transport, which developed a strategy in this area. For the Asian Decade, UNCTAD channelled all its proposals to UNDP and other donors through ESCAP to ensure complete coordination.

222. Cooperation with the World Bank is now more extensive than heretofore. Two specific areas merit particular attention in this regard. The first one concerns the joint development and diffusion to developing countries of a software (SMART) over the period 1988-1991. The second is the agreement reached in 1991 regarding work in the area of debt management (see para. 71 above). UNCTAD cooperates with the World Bank in several other areas, including trade and commodities, and is deepening its operational cooperation on such matters as transport and logistics, including shipping. World Bank borrowers are beginning to deploy loan funds to avail themselves of UNCTAD's technical cooperation.

223. In the area of maritime transport, regular contacts are maintained with IMO and ILO, including in the field of training and in the context of the Transport and Communications Decades in Asia and Africa. The Joint Working Group established between ILO, UNCTAD and IMO for coordination in the field of transport met several times during the period 1989-1991.

224. In 1991, UNCTAD continued to cooperate with FAO and UNIDO. In 1991, UNCTAD undertook joint missions with the IMF as regards customs and tax matters, including for the installation of ASYCUDA.

225. Cooperation with agencies at the project level often takes the form of inter-agency letters of agreement. Information on activities under such agreements for the period 1989-1991 is contained in the annex (TD/B/WP/76/Add.1). Table XIV of the annex shows that UNCTAD formally

associated the following agencies with projects for which it had execution responsibility: ECA (one project); ECLAC (two projects); ESCAP (three); FAO (one); ITC (two) and the World Bank (four). Reciprocally, as indicated in Table XIII, UNCTAD acted as associated agency at the request of the following organizations: IMO (once); UNDP office for Project Services (eight times); UNIDO (one project); ECA, ITC and UN-DTCD (two each) and the Junta de Cartagena-JUNAC (one).

226. UNCTAD has continued to take an active part in the ACC Consultative Committee on Substantive Questions (Operational Activities), the subsidiary body of the ACC concerned with coordinating the system's operational activities. In 1991, UNCTAD's Deputy Secretary-General was appointed by ACC as Chairman of this Committee for the period 1991-1992.

E. Mobilization of resources

227. In order to enable the mandates arising from UNCTAD VIII and relevant decisions of the Trade and Development Board to be operational, and to respond to requests of developing countries for assistance, a sine qua non condition is the ability of UNCTAD to mobilize extrabudgetary resources for these purposes. Traditionally, by far the main source of UNCTAD's funding for its technical cooperation has been UNDP (over 80 per cent of resources in the 1980s), a proportion which has declined somewhat over the past three years Annex, table I). In the near future, the level of funding available to UNCTAD from UNDP is not likely to increase. This is owing partly to the reduction of the regional programme resources of UNDP - a key source for UNCTAD programmes - as well as to the development of UNDP's own operational activities in many areas closely related to UNCTAD's work.

228. A positive development over the past few years has been the increase in Trust Fund Contributions received by UNCTAD to support technical cooperation work (Annex, table IX). These contributions have averaged $5.6 million per year in 1989-1991, a significant increase over the previous period (in 1986-1988, the average amounted to just over $1.5 million). Bilateral donors also contributed to UNCTAD's activities through cost-sharing and trust-fund arrangement with UNDP.

229. Most of these contributions are of an ad hoc nature and intended for specific projects. However, in the case of two donors: Italy - since 1989 the largest contributor to UNCTAD Trust Funds - and the Netherlands, relations have been defined in formal agreements. Such agreements allow for an annual allocation to UNCTAD, within which mutually agreed projects are approved for implementation; specific activities are jointly reviewed at regular intervals, a process which is considered useful by both sides in explaining the purpose of certain activities and in facilitating decisions on the allocation of funds. In the case of Norway, regular review meetings of a more informal nature have also been held. In other instances, representatives of the donor country have participated in evaluations of projects with which it is associated. Other donors may wish to consider making their contribution to UNCTAD under similar, more systematic, modalities.

230. In 1991, the United States Agency for International Development entered into its first agreement with UNCTAD to support trade facilitation work in

southern Africa. Luxembourg also became a new donor to technical cooperation through UNCTAD. Discussions advanced significantly with the European Commission: UNCTAD has already cooperated with the Commission as regards projects in Central America, and the Commission made a new grant, for a TRAINFORTRADE in that subregion in 1991. As a major new development, an agreement was concluded in 1992 for cooperation between the European Development Fund, UNCTAD and the PTA as regards the ASYCUDA programme. Several other projects are now being discussed with the European Commission.

231. UNCTAD has also received, in increasing amounts, contributions from developing countries themselves, either as a gesture of solidarity to development of other countries, or to enable UNCTAD to undertake projects (e.g. ASYCUDA) in their own countries.

232. Another mechanism of donor coordination is the convening of donor groups to review and guide the work in a particular programme area. Such a group met on two occasions in 1990 and in 1991 to review UNCTAD's ASYCUDA programme. A similar meeting took place in 1992 to review UNCTAD's work in the area of trade policies, and meetings on other subjects are planned.

233. UNCTAD VIII (para. 62 of the Cartagena Commitment) has called for measures and resources to strengthen and expand UNCTAD's technical cooperation activities and for increased contributions by member States for this purpose. Requests from developing countries exceed by far the resources available, and considering the constraints in UNDP resources noted above, there is no doubt that the future of UNCTAD's technical cooperation work will depend to a large measure on extrabudgetary contributions made available by member States.

F. General Assembly resolutions on operational activities

234. During the reporting period, the United Nations General Assembly took a number of decisions, the most important in this context being resolution 46/211 of December 1989 regarding the United Nations system operational activities for development. The broad intention of the General Assembly was to emphasize in particular the overriding importance of support through operational activities for national capacity-building in developing countries, to lessen the degree of agency involvement in the delivery of project inputs, and to increase their capacity to provide policy and technical advice and support during the development process. Aside from issues related to national capacity-building (discussed in paras. 185 to 191 above) other provisions of these resolutions affect UNCTAD. These are outlined below.

235. National execution. The General Assembly has decided that increasingly, programmes and projects should be executed by Governments and institutions of developing countries, in contrast to the present arrangements whereby most projects are executed by organizations of the United Nations system. UNCTAD welcomes this approach. Increasingly, UNCTAD's technical cooperation is tied to the delivery of a specific product or service available in the secretariat: Governments may well decide that a product or service is most suitable for them, and accordingly request UNCTAD to provide it under whatever execution modalities are deemed appropriate. This in fact is already happening: UNCTAD acts as a "consultant" to Governments or regional organizations responsible for the delivery of specific services.

236. The programme approach. The General Assembly also introduced measures for a more systematic and coherent way to achieve national development objectives. The programme approach is designed to bring together hitherto disparate elements to focus on targeted development needs. It is also a means to facilitate coordination among related activities carried out by different organizations. UNCTAD has welcomed this approach by UNDP, in part because it should improve the effectiveness of technical cooperation, and in part because the inherent synergies in the approach should facilitate greater attention to policy issues in areas of particular interest to UNCTAD.

237. Support costs. As a result of extensive discussions, the General Assembly endorsed the decision of the UNDP Governing Council to introduce, on a limited basis, new arrangements for support costs effective 1 January 1992. Hitherto, most agencies were reimbursed by UNDP at the rate of 13 per cent of actual delivery. For some time, concern had been expressed that this automatic method of reimbursement, in spite of its simplicity, was not conducive to project relevance and effectiveness.

238. The new regime will apply, in the first instance, to five large executing agencies of UNDP, namely, United Nations/DESD, FAO, ILO, UNESCO and UNIDO. All other executing agencies of UNDP, including those entities of the United Nations such as UNCTAD, remain subject to the old regime. However, the situation will be reviewed in 1994, on the basis of which decisions could be taken to extend the new regime to other agencies. Such an extension would presumably affect the so-called "flexibility provision", which UNDP applies to certain autonomous agencies 12/ to compensate for the administrative diseconomies of scale in carrying out operational activities. UNCTAD, being part of the United Nations Secretariat, is not regarded by UNDP as autonomous and is therefore not entitled to such provisions. 13/

239. The Working Party will be kept informed of developments regarding all the above matters.

Notes

1/ These percentages are calculated on the assumption that interregional projects benefit countries in each region in proportion to the expenditures on respective regional and country projects.

2/ See also Part II for a full description of activities.

3/ It should be noted that the data do not reflect activities undertaken by the Advisory Service on Transfer of Technology under the regular budget.

4/ Work on trade policy in the least developed countries is backstopped jointly by ITP and the Division for Least Developed Countries (see paras. 113-114 below).

5/ See also TD/B/C.5/143 - Technical Assistance in connection with the Generalized System of Preferences.

6/ See also "Activities of the Advisory Service on Transfer of Technology", Report of the UNCTAD secretariat (TD/B/C.6/155/Add.1), prepared at the request of the Committee on Transfer of Technology.

7/ As of 24 December 1991, the name Russian Federation replaces the name Union of Soviet Socialist Republics (USSR).

8/ The transport component of these projects is described in the section on Shipping (paras. 136 to 138).

9/ ACIS in Africa: Report of the ACIS Technical Assessment Mission, p.2. (UNDP, June 1991).

10/ See below paras. 234 to 239.

11/ For example, the four projects (three regional and one interregional) to assist developing countries to participate in the Uruguay Round of Multilateral Trade Negotiations and the three African regional projects on transit-traffic and support to the transport sector.

12/ i.e. Specialized agencies and other bodies whose budgets are wholly or partially separate from the United Nations Programme Budget, undertaking small technical cooperation programmes.

13/ Nor are other United Nations entities such as the regional commissions eligible. However, it should also be noted that UNCTAD had been granted such flexibility until 1981 when it was removed by the Governing Council at the time of the establishment of the earlier support cost regime. Should UNCTAD be regarded as eligible, the additional support cost earnings would significantly increase the capacity of the secretariat to backstop operational projects. It should also be noted that at the 39th session of the UNDP Governing Council, in May 1992, ITC was granted the flexibility provision.

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REVIEW OF THE TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Technical Co-operation Programme of UNCTAD, 1989-1991

Report by the UNCTAD secretariat

CORRIGENDUM

Page 8, Table 2, item 1.5: for "92.8" read "52.5"

Page 8, Table 2, Total: for "22 036.3" read "21 996.2"

Para. 38, page 14, line 1: delete "the group as a whole"
line 5: for "Group Caricom", read "Caricom Group".

Para. 81, page 24, line 6: after "private sector" insert "and"

Para. 221, page 56, line 5: for "ECLA" read "ECA"

Para. 234, page 58, line 2: for "46/211" read "44/211".

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